STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

HOUSE BILL 1877

By: Proctor

AS INTRODUCED

An Act relating to medical marijuana; creating the Oklahoma Medical Marijuana Act of 2017; defining terms; providing exemption from criminal, civil and disciplinary actions for qualifying patients and caregivers who use or transfer to another marijuana for medical purposes; providing presumption of lawful activity under certain circumstances; providing rebuttable presumption; allowing dispensaries to accept and transfer marijuana products from certain entities; prohibiting schools or landlords from penalizing qualifying patients or caregivers; providing an exception; prohibiting employers from discriminating against qualifying patients; prohibiting the denial of custody or visitation rights; authorizing licensing boards to sanction physicians under certain circumstances; providing exemption from criminal, civil and disciplinary actions for qualifying patients and caregivers who possess marijuana paraphernalia or assist another with the medical use of marijuana; prohibiting the seizure of property; allowing visiting qualifying patients from another state to obtain medical marijuana under certain circumstances; directing the State Department of Health to promulgate rules; directing the State Department of Health to issue registry information cards to qualifying patients and caregivers; providing for the adoption of certain rules; providing guidelines for considering applications for registry identification cards and petitions for adding qualifying medical conditions; providing requirements for issuing registry identification cards; prohibiting the issuance of registry identification cards to certain persons; providing exceptions; establishing time limitation for reviewing applications and renewal requests;
directing the State Department of Health to deny certain applications and renewals; providing for judicial review; establishing expiration date for registry identification cards; directing the State Department of Health to maintain confidential list of registry identification cards; authorizing the disclosure of registry identification card list to certain entities; stating confidentiality requirements; prohibiting the transfer of registry identification cards; providing for revocation of cards; directing certain entities to submit annual report to the Legislature; deeming certain conduct by persons as impermissible under the act; providing circumstances that are not required of persons under the act; providing affirmative defense for using medical marijuana; prohibiting dismissal of prosecution under certain circumstances; providing guidelines and procedures for licensing dispensaries and cultivation facilities; providing for the adoption of rules; establishing application fees for dispensaries and cultivation facilities; stating application procedures and content; limiting the number of dispensary and cultivation facility licenses; authorizing background checks; directing cultivation facility agents and dispensary agents to register and obtain certification from the Alcoholic Beverage Laws Enforcement Commission; providing for the adoption of rules; providing for the issuance of registry identification cards to dispensary agents and cultivation facility agents; authorizing background checks; prohibiting issuance of registry identification cards under certain circumstances; allowing fees to be charged for issuing registry identification cards; authorizing revocation of registry identification cards; making dispensaries and cultivation facilities subject to regulation; providing guidelines for regulating dispensaries and cultivation facilities; providing recordkeeping requirements; providing certain immunity for dispensaries, cultivation facilities, dispensary agents and cultivation facility agents; providing labeling requirements for marijuana; authorizing revocation of registry identification card of dispensary agent under certain circumstances; authorizing cultivation facilities to sell product under certain circumstances; providing for local regulation of dispensaries and cultivation
facilities; prohibiting certain conduct of physicians; authorizing the filing of a mandamus action under certain circumstances; providing for the taxation of marijuana sales; providing for the distribution of funds; directing the State Department of Health, Alcoholic Beverage Laws Enforcement Commission and Medical Marijuana Commission to expend funds in certain manner; creating the Medical Marijuana Commission; stating purpose of Commission; providing for the appointment of membership; providing for the selection of a chair; stating terms of appointment; stating qualifications of members; authorizing payment of daily stipend; authorizing employment of staff; providing time limitation for calling first meeting; creating the Medical Marijuana Commission Revolving Fund; stating purpose of fund; providing for the appropriation of funds; acknowledging illegal nature of marijuana use, possession and distribution under federal law; stating limitation on growing marijuana in Oklahoma; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-1001 of Title 63, unless there is created a duplication in numbering, reads as follows:

This act shall be known and may be cited as the "Oklahoma Medical Marijuana Act of 2017".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-1002 of Title 63, unless there is created a duplication in numbering, reads as follows:

As used in the Oklahoma Medical Marijuana Act of 2017:
1. "Acquire" or "acquisition" means coming to possess marijuana by means of any legal source herein authorized, not from an unauthorized source, and in accordance with this act and any rules promulgated under this act;

2. "Assist" or "assisting" means helping a qualifying patient make medical use of marijuana by enabling the medical use by any means authorized under this act;

3. "Cardholder" means a qualifying patient, a dispensary agent, a cultivation facility agent, or a designated caregiver;

4. "Cultivation facility" means an entity that:
   a. has been licensed by the Medical Marijuana Commission created in Section 19 of this act,
   b. cultivates, prepares, manufactures, processes and packages usable medical marijuana, and
   c. sells and delivers usable medical marijuana to a dispensary;

5. "Cultivation facility agent" means an employee, supervisor or agent of a cultivation facility who:
   a. is twenty-one (21) years of age or older,
   b. works at the cultivation facility, and
   c. has registered with the Alcoholic Beverage Laws Enforcement Commission under Section 9 of this act;

6. "Designated caregiver" means a person who is at least twenty-one (21) years of age, has not been convicted of an excluded
violent crime, has agreed to assist a physically disabled qualifying patient with the medical use of marijuana, and who has registered with the State Department of Health under Section 5 of this act. Designated caregiver includes without limitation a parent:

a. of a qualifying patient who is under the age of eighteen (18), and

b. required to register as a designated caregiver under this act;

7. "Dispensary" means an entity that has been licensed by the Medical Marijuana Commission created in Section 19 of this act;

8. "Dispensary agent" means:

a. an employee, supervisor, volunteer, or agent of a dispensary who:

(1) is twenty-one (21) years of age or older,
(2) works at the dispensary, and
(3) has registered with the Alcoholic Beverage Laws Enforcement Commission under Section 9 of this act, and

b. an owner, officer, or board member of a dispensary who has registered with the Alcoholic Beverage Laws Enforcement Commission under Section 8 of this act;

9. "Enclosed, locked facility" means a room, greenhouse or other enclosed area equipped with locks or other security devices that permit access only by an authorized individual;
10. "Excluded violent crime" means:
   a. a violent crime as defined in Section 571 of Title 57
      of the Oklahoma Statutes. Provided, however, an
      offense that has been sealed by a court or for which a
      pardon has been granted is not considered an excluded
      violent crime, or
   b. a violation of a state or federal controlled-substance
      law that was classified as a felony in the
      jurisdiction where the person was convicted, but not
      including:
         (1) an offense for which the sentence, including any
             term of probation, incarceration or supervised
             release, was completed ten (10) or more years
             earlier, or
         (2) an offense that has been sealed by a court or for
             which a pardon has been granted;

11. "Medical use" means the acquisition, possession, use,
    delivery, transfer or transportation of marijuana or paraphernalia
    relating to the administration of marijuana to treat or alleviate a
    qualifying medical condition of a qualifying patient or symptoms
    associated with the qualifying medical condition of a qualifying
    patient;

12. "Physician" means a doctor of medicine or doctor of
    osteopathic medicine who holds a valid, unrestricted and existing
license to practice in the State of Oklahoma and has been issued a
registration from the United States Drug Enforcement Administration
to prescribe controlled substances;

13. "Qualifying medical condition" means one or more of the
following:

a. cancer, glaucoma, positive status for human
immunodeficiency virus/acquired immune deficiency
syndrome, hepatitis C, amyotrophic lateral sclerosis,
Tourette's syndrome, Crohn's disease, ulcerative
colitis, posttraumatic stress disorder, severe
arthritis, fibromyalgia, Alzheimer's disease, or the
treatment of these conditions,

b. a chronic or debilitating disease or medical condition
or its treatment that produces one or more of the
following: cachexia or wasting syndrome; peripheral
neuropathy; intractable pain, which is pain that has
not responded to ordinary medications, treatment or
surgical measures for more than six (6) months; severe
nausea; seizures, including without limitation those
caracteristic of epilepsy; or severe and persistent
muscle spasms, including without limitation those
caracteristic of multiple sclerosis, and
c. any other medical condition or its treatment approved by the State Department of Health under Section 4 of this act;

14. "Qualifying patient" means a person who has been diagnosed by a physician as having a qualifying medical condition and who has registered with the State Department of Health under Section 5 of this act;

15. "Registry identification card" means a document issued by the Department that identifies a person as a qualifying patient, a dispensary agent, a cultivation facility agent or a designated caregiver;

16. "Sealed" means to expunge, remove, sequester and treat as confidential the record or records of a felony offense;

17. "Usable marijuana" means the stalks, seeds, roots, dried leaves, flowers, oils, vapors, waxes and other portions of the marijuana plant and any mixture or preparation thereof. Usable marijuana does not include the weight of any ingredients other than marijuana that are combined with marijuana and prepared for consumption as food or drink;

18. "Visiting qualifying patient" means a patient with a qualifying medical condition who is not a resident of Oklahoma or who has been a resident of Oklahoma for less than thirty (30) days and who is in actual possession of a registry identification card or its equivalent that is issued under the laws of another state,
1 district, territory, commonwealth or insular possession of the
2 United States and pertains to a qualifying medical condition as
3 defined in this section; and
4
19. "Written certification" means a document signed by a
5 physician stating that in the professional opinion of the physician,
6 after having completed a full assessment of the medical history and
7 current medical condition of the qualifying patient made in the
8 course of a physician-patient relationship, the qualifying patient
9 has a qualifying medical condition and the potential benefits of the
10 medical use of marijuana would likely outweigh the health risks for
11 the qualifying patient. A written certification shall specify the
12 qualifying medical condition of the qualifying patient, which also
13 shall be noted in the medical records of the qualifying patient.
14
SECTION 3. NEW LAW A new section of law to be codified
15 in the Oklahoma Statutes as Section 2-1003 of Title 63, unless there
16 is created a duplication in numbering, reads as follows:
17
A. A qualifying patient or designated caregiver in actual
18 possession of a registry identification card shall not be subject to
19 arrest, prosecution or penalty in any manner or denied any right or
20 privilege, including without limitation a civil penalty or
21 disciplinary action by a business or occupational or professional
22 licensing board or bureau, for the medical use of marijuana in
23 accordance with this act if the qualifying patient or designated
caregiver possesses not more than two and one-half (2 1/2) ounces of usable marijuana.

B. 1. A qualifying patient or designated caregiver is presumed to be lawfully engaged in the medical use of marijuana in accordance with this act if the qualifying patient or designated caregiver is in actual possession of a registry identification card and possesses an amount of usable marijuana that does not exceed the amount allowed under this act.

2. The presumption made in paragraph 1 of this subsection may be rebutted by evidence that conduct related to marijuana was not for the purpose of treating or alleviating the qualifying medical condition or symptoms of the qualifying patient associated with the qualifying medical condition in accordance with this act.

C. A qualifying patient or designated caregiver shall not be subject to arrest, prosecution or penalty in any manner or denied any right or privilege, including without limitation a civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau, for giving or offering to give up to two and one-half (2 1/2) ounces of usable marijuana to a qualifying patient or designated caregiver for the medical use of the qualifying patient when nothing of value is transferred in return.

D. A designated caregiver is not prohibited from receiving compensation or reimbursement of expenses from a qualifying patient.
for assisting a qualifying patient with the medical use of marijuana.

E. A dispensary may:

1. Accept marijuana seedlings, plants or usable marijuana from:
   a. cultivation facilities,
   b. other dispensaries in Oklahoma, and
   c. if permissible under federal law, out-of-state dispensaries;

2. Transfer or sell marijuana seedlings, plants or usable marijuana to:
   a. cultivation facilities,
   b. other dispensaries in Oklahoma, and
   c. if permissible under federal law, out-of-state dispensaries; and

3. Accept marijuana seeds from any individual lawfully entitled to possess marijuana seeds, seedlings or plants under the laws of the state in which the individual resides.

F. 1. A school shall not refuse to enroll and a landlord shall not refuse to lease to, nor shall either otherwise penalize an individual solely for his or her status as a qualifying patient or designated caregiver unless doing so would put the school or landlord in violation of federal law or regulations.

2. For the purposes of medical care, including without limitation organ transplants, an authorized use of marijuana in
accordance with this act by a qualifying patient is considered the equivalent of the authorized use of any other medication used at the direction of a physician and does not constitute the use of an illicit substance.

3. An employer shall not discriminate against an individual in hiring, termination or any term or condition of employment, or otherwise penalize an individual, based upon the past or present status of the individual as a qualifying patient or designated caregiver.

G. A person otherwise entitled to custody of, or visitation or parenting time with, a minor shall not be denied custody, visitation or parenting time solely for conduct allowed under this act, nor shall there be:

1. A finding of abuse solely for conduct allowed under this act; or

2. A presumption of neglect or child endangerment for conduct allowed under this act.

H. 1. A physician shall not be subject to arrest, prosecution or penalty in any manner or denied any right or privilege, including without limitation a civil penalty or disciplinary action by the State Board of Medical Licensure and Supervision or by any other business, occupational or professional licensing board or bureau, solely for providing a written certification.
2. Paragraph 1 of subsection G of this section does not prevent a professional licensing board from sanctioning a physician for failing to properly evaluate the medical condition of a patient or for otherwise violating the applicable physician-patient standard of care.

   I. A person shall not be subject to arrest, prosecution or penalty in any manner or denied any right or privilege, including without limitation a civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau, for providing a qualifying patient or designated caregiver with marijuana paraphernalia for purposes of facilitating the medical use of marijuana by a qualifying patient.

   J. Any marijuana, marijuana paraphernalia, personal property or interest in personal property that is possessed, owned or used exclusively in connection with the medical use of marijuana as allowed under this act, or property incidental to such use, shall not be seized or forfeited.

   K. A person shall not be subject to arrest, prosecution or penalty in any manner or denied any right or privilege, including without limitation a civil penalty or disciplinary action by a business or occupational or professional licensing board or bureau, simply for being in the presence or vicinity of the medical use of marijuana as allowed under this act or for directly assisting a
physically disabled qualifying patient with the medical use of marijuana.

L. 1. A registry identification card or its equivalent that is issued under the laws of another state, district, territory, commonwealth or insular possession of the United States that allows a visiting qualifying patient to possess or use marijuana for medical use in the jurisdiction of issuance has the same force and effect when held by a visiting qualifying patient as a registry identification card issued by the State Department of Health if the same qualifying medical condition exists.

2. A visiting qualifying patient may obtain marijuana from a dispensary upon producing evidence of his or her registry identification card or its equivalent that is issued under the laws of another state, district, territory, commonwealth or insular possession of the United States. The State Department of Health shall promulgate necessary rules concerning a visiting qualifying patient obtaining marijuana from a dispensary.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-1004 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The State Department of Health shall administer and enforce the provisions of this act concerning qualifying patients, qualifying medical conditions and designated caregivers, including without limitation the issuance of a registry identification card to
a qualifying patient and designated caregiver. The Department shall adopt rules necessary to:

1. Carry out the purposes of this act; and
2. Perform its duties under this act.

Rules adopted under this section are rules as defined in the Oklahoma Administrative Procedures Act.

B. Not later than one hundred twenty (120) days after the effective date of this act, the Department shall adopt rules governing:

1. The manner in which it considers applications for and renewals of registry identification cards;
2. Labeling and testing standards for marijuana distributed to qualifying patients; and
3. Any other matters necessary for the fair, impartial, stringent and comprehensive administration of this act by the Department.

C. 1. Not later than one hundred eighty (180) days after the effective date of this act, the Department shall adopt rules that govern the manner in which the Department considers petitions from the public to add medical conditions or treatments to the list of qualifying medical conditions set forth in Section 2 of this act.
2. In considering a petition, the Department shall add medical conditions or treatments to the list of qualifying medical conditions set forth in Section 2 of this act if patients suffering
from the medical conditions or undergoing the treatments in question would derive therapeutic benefit from the use of marijuana, taking into account the positive and negative health effects of such use.

3. The Department shall, after hearing, approve or deny a petition within one hundred twenty (120) days of submission of the petition. The approval or denial of a petition constitutes final agency action, subject to judicial review, and jurisdiction for judicial review is vested in the Oklahoma County District Court.

D. The Department shall adopt rules within one hundred twenty (120) days of the effective date of this act that govern the manner in which a designated caregiver assists a physically disabled qualifying patient or a qualifying patient under the age of eighteen (18) with the medical use of marijuana.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-1005 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The State Department of Health shall issue registry identification cards to qualifying patients and designated caregivers who submit in accordance with the rules promulgated by the Department:

1. Written certification issued by a physician within thirty (30) days of the application;

2. A reasonable application or renewal fee as established by the Department by rule. The Department may establish a sliding
scale of application and renewal fees based upon the family income
of the qualifying patient;

3. The name, address and date of birth of the qualifying
patient or designated caregiver, except that if the applicant is
homeless, no address is required;

4. For a designated caregiver application:
   a. the name of the physically disabled qualifying patient
      or qualifying patient under the age of eighteen (18)
      whom the applicant will be assisting, and
   b. documentation from the physician of the qualifying
      patient indicating that the qualifying patient is
      physically disabled or under the age of eighteen (18);

5. The name, address and telephone number of the physician of
   the qualifying patient; and

6. A signed statement from the qualifying patient or designated
caregiver pledging not to divert marijuana to anyone who is not
allowed to possess marijuana under this act.

B. The Department shall not issue a registry identification
card to a qualifying patient who is under eighteen (18) years of age
unless:

1. The physician of the qualifying patient has explained the
potential risks and benefits of the medical use of marijuana to the
qualifying patient and to a parent, guardian or person having legal
custody of the qualifying patient; and
2. A parent, guardian or person having legal custody:
   a. consents in writing to:
      (1) allow the medical use of marijuana by a qualifying patient,
      (2) assist the qualifying patient in the medical use of marijuana, and
      (3) control the acquisition of the marijuana, the dosage and the frequency of the medical use of marijuana by the qualifying patient, and
   b. registers as a designated caregiver under this act.

C. 1. The Department shall review the information contained in an application or renewal submitted under this section within fourteen (14) days of receiving it.
2. The Department shall deny an application or renewal if the:
   a. applicant previously had a registry identification card revoked, or
   b. the Department determines the written certification was not made in the context of a physician-patient relationship or that the written certification was fraudulently obtained.
3. Rejection of an application or renewal is considered a final agency action subject to judicial review, and jurisdiction is vested in the Oklahoma County District Court.
D. 1. A registry identification card expires one (1) year after the date of issuance unless the physician states in the written certification that he or she believes the qualifying patient would benefit from the medical use of marijuana only until a specified earlier date.

2. If the written certification specifies an earlier date, the registry identification card shall expire on that date.

E. 1. An application or renewal and supporting information submitted by a qualifying patient or designated caregiver under this act, including without limitation information regarding the physician of the qualifying patient, are considered confidential medical records.

2. The Department shall maintain a confidential list of the persons to whom the Department has issued registry identification cards. The Department may share information from the confidential list under this paragraph with the Alcoholic Beverage Laws Enforcement Commission and the Medical Marijuana Commission as necessary. Confidential information shared with the Alcoholic Beverage Laws Enforcement Commission or the Medical Marijuana Commission shall remain confidential while in the possession of either Commission. Individual names and other identifying information on the confidential list is confidential, exempt from the Freedom of Information Act, and not subject to disclosure except to authorized employees of the State Department of Health, Alcoholic
Beverage Laws Enforcement Commission and Medical Marijuana Commission as necessary to perform their official duties.

3. The Department shall verify to law enforcement personnel whether a registry identification card is valid without disclosing more information than is reasonably necessary to verify the authenticity of the registry identification card.

4. A person, including without limitation an employee or official of the State Department of Health, Alcoholic Beverage Laws Enforcement Commission and Medical Marijuana Commission, or other state agency or local government, who knowingly breaches the confidentiality of information obtained under this act commits a misdemeanor.

F. 1. Except as provided in Section 3 of this act, a cardholder who transfers marijuana to a person who is not a qualifying patient or designated caregiver under this act shall have his or her registry identification card revoked and shall be subject to any other penalties established by law.

2. The Department may revoke the registry identification card of any cardholder who knowingly violates any provision of this act, and the cardholder is subject to any other penalties established by law.

3. This subsection does not prohibit:

a. a qualifying patient or designated caregiver from giving up to two and one-half (2 1/2) ounces of usable
marijuana to another qualifying patient or designated caregiver as set forth in Section 3 of this act, or

b. the transfer of marijuana seedlings, plants or usable marijuana set forth in Section 3 of this act.

G. The State Department of Health, Alcoholic Beverage Laws Enforcement Commission and Medical Marijuana Commission shall submit to the Legislature an annual report that does not disclose any identifying information about cardholders or physicians but contains at a minimum:

1. The number of applications and renewals filed for registry identification cards;

2. The nature of the qualifying medical conditions of the qualifying patients;

3. The number of registry identification cards revoked and the number of licenses to operate a dispensary and licensed to operate a cultivation facility revoked;

4. The number of physicians providing written certifications for qualifying patients;

5. The number of licensed dispensaries;

6. The number of licensed cultivation facilities;

7. The number of dispensary agents; and

8. The number of cultivation facility agents.
SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-1006 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. This act does not permit a person to:

1. Undertake any task under the influence of marijuana when doing so would constitute negligence or professional malpractice;

2. Possess, smoke or otherwise engage in the use of marijuana:
   a. on a school bus,
   b. on the grounds of a daycare center, preschool, primary or secondary school, college or university,
   c. at a drug or alcohol treatment facility,
   d. at a community or recreation center,
   e. in a correctional facility,
   f. on any form of public transportation, or
   g. in a public place; or

3. Operate, navigate or be in actual physical control of a motor vehicle, aircraft, motorized watercraft or any other vehicle drawn by power other than muscle power while under the influence of marijuana.

B. This act does not require:

1. A government medical assistance program or private health insurer to reimburse a person for costs associated with the medical use of marijuana unless federal law requires reimbursement;
2. An employer to accommodate the ingestion of marijuana in a workplace or an employee working while under the influence of marijuana;

3. An individual or establishment in lawful possession of property to allow a guest, client, customer or other visitor to use marijuana on or in that property;

4. An individual or establishment in lawful possession of property to admit a guest, client, customer or other visitor who is inebriated as a result of his or her medical use of marijuana; or

5. A landlord to permit a qualifying patient to smoke marijuana on or in leased property, except that a landlord may not prohibit the medical use of marijuana through means other than smoking on leased property by a qualifying patient.

SECTION 7. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-1007 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. Except as provided in Section 6 of this act and this section, an individual may assert a medical purpose for using marijuana as an affirmative defense to prosecution for an offense involving marijuana intended for medical use by the individual, and this defense shall be presumed valid and the prosecution shall be dismissed where the evidence demonstrates that the individual is:

1. A qualifying patient or a designated caregiver; and
2. In compliance with the conditions set forth in Section 3 of this act.

B. The defense and motion to dismiss shall not prevail if either of the following are proven:

1. The registry identification card of the individual had been revoked at the time of the alleged offense; or

2. The purposes for the possession of marijuana were not solely for medical use.

C. An individual is not required to be in actual physical possession of a registry identification card to raise the affirmative defense set forth in this section.

D. If an individual demonstrates a medical use of marijuana under this section, except as provided in Section 6 of this act, the individual shall not be subject to the following:

1. Disciplinary action by a business or occupational or professional licensing board or bureau; or

2. Forfeiture of any interest in or right to non-marijuana-related personal property.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-1008 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. 1. Dispensaries and cultivation facilities shall be licensed by the Medical Marijuana Commission.
2. The Medical Marijuana Commission shall administer and regulate the licensing of dispensaries and cultivation facilities, including the issuance of a license to operate a dispensary and a license to operate a cultivation facility.

3. The Alcoholic Beverage Laws Enforcement Commission shall administer and enforce the provisions of this act concerning dispensaries and cultivation facilities.

B. The Medical Marijuana Commission and Alcoholic Beverage Laws Enforcement Commission shall each adopt rules necessary to carry out the purposes of this act and perform its duties under this act. Rules adopted under this section are rules as defined in the Oklahoma Administrative Procedures Act.

C. The following individuals associated with a dispensary or cultivation facility shall be current residents of Oklahoma who have resided in the state for the previous seven (7) consecutive years:

1. The individual submitting an application to license a dispensary or cultivation facility; and

2. Sixty percent (60%) of the individuals owning an interest in a dispensary or cultivation facility.

D. Not later than one hundred twenty (120) days after the effective date of this act, the Medical Marijuana Commission shall adopt rules governing:
1. The manner in which the Medical Marijuana Commission considers applications for and renewals of licenses for dispensaries and cultivation facilities;

2. The form and content of registration and renewal applications for dispensaries and cultivation facilities; and

3. Any other matters necessary for the fair, impartial, stringent and comprehensive administration of its duties under this act.

E. Not later than one hundred twenty (120) days after the effective date of this act, the Alcoholic Beverage Laws Enforcement Commission shall adopt rules governing:

1. Oversight requirements for dispensaries and cultivation facilities;

2. Recordkeeping requirements for dispensaries and cultivation facilities;

3. Security requirements for dispensaries and cultivation facilities;

4. Personnel requirements for dispensaries and cultivation facilities;

5. The manufacture, processing and packaging of usable marijuana and dispensing of it to qualifying patients and designated caregivers;

6. Procedures for suspending or terminating the licenses of dispensaries and cultivation facilities that violate the provisions
of this act or the rules adopted under this act, procedures for
appealing penalties, and a schedule of penalties;

7. Procedures for inspections and investigations of
dispensaries and cultivation facilities;

8. Advertising restrictions for dispensaries and cultivation
facilities;

9. Procedures for the disposal or other use of marijuana not
dispensed to a qualifying patient; and

10. Any other matters necessary to the fair, impartial,
stringent and comprehensive administration of its duties under this
act.

F. 1. Not later than one hundred twenty (120) days after the
effective date of this act, the Medical Marijuana Commission shall
adopt rules establishing license application and license renewal
fees for dispensary and cultivation facility licenses.

2. The initial dispensary application fee shall be a maximum of
Seven Thousand Five Hundred Dollars ($7,500.00). The initial
cultivation facility application fee shall be a maximum of Fifteen
Thousand Dollars ($15,000.00).

G. 1. Not later than June 1, 2017, the Commission shall begin
accepting applications for licenses to operate a dispensary and
cultivation facility.

2. The application shall include without limitation the
a. the application fee,

b. the legal name of the dispensary or cultivation facility,

c. the physical address of the:

(1) dispensary, which location may not be within one thousand five hundred (1,500) feet of a public school, church or daycare center existing before the date of the dispensary application, or

(2) cultivation facility, which location may not be within three thousand (3,000) feet of a public school, church or daycare center existing before the date of the cultivation facility application,

d. the name, address and date of birth of each dispensary agent or cultivation facility agent, and

e. if the city, town or county in which the dispensary or cultivation facility would be located has enacted zoning restrictions, a sworn statement certifying that the dispensary or cultivation facility will operate in compliance with the restrictions.

3. None of the owners, board members or officers of the dispensary or cultivation facility shall:

a. have been convicted of an excluded violent crime,
b. have previously been an owner of a dispensary or cultivation facility that has had its license revoked,
or
c. be under twenty-one (21) years of age.

H. The Medical Marijuana Commission shall issue at least twenty but no more than forty dispensary licenses.

I. There shall be no more than four dispensaries in any one county.

J. The Medical Marijuana Commission shall issue at least four but no more than eight cultivation facility licenses.

K. The Medical Marijuana Commission may conduct a criminal records check in order to carry out this section.

L. No individual shall own an interest in more than one cultivation facility and one dispensary.

M. 1. A dispensary licensed under this section may acquire, possess, manufacture, process and prepare marijuana, marijuana paraphernalia and related supplies and deliver, transfer, transport, supply and dispense them to a qualifying patient or designated caregiver.

2. A dispensary may receive compensation for providing the goods and services allowed by this section.

3. A dispensary may grow or possess:
   a. fifty mature marijuana plants at any one time plus seedlings, and
b. all usable marijuana derived from the plants under subparagraph a of this paragraph or predecessor plants.

A dispensary may contract with a cultivation facility to cultivate one or more mature marijuana plants the dispensary is permitted to grow.

4. A cultivation facility may cultivate and possess usable marijuana in an amount reasonably necessary to meet the demand for the needs of qualifying patients as determined by the Medical Marijuana Commission with the assistance of the State Department of Health. However, a cultivation facility shall not sell marijuana in any form except to a dispensary or other cultivation facility. A cultivation facility may also possess marijuana seeds.

The Medical Marijuana Commission with the assistance of the State Department of Health shall promulgate rules determining the amount of marijuana reasonably necessary under this paragraph.

5. A cultivation facility may receive compensation for providing goods and services allowed by this section.

N. A dispensary license and cultivation facility license shall expire one (1) year after the date of issuance. The Medical Marijuana Commission shall issue a renewal dispensary license or a renewal cultivation facility license within ten (10) days to any entity who complies with the requirements contained in this act, including without limitation the payment of a renewal fee.
O. The Medical Marijuana Commission may charge a reasonable fee as established by rule for the issuance of a renewal license.

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-1009 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. Cultivation facility agents and dispensary agents shall register with the Alcoholic Beverage Laws Enforcement Commission. The Commission shall administer and enforce the provisions of this act concerning cultivation facility agents and dispensary agents, including without limitation the issuance of a registry identification card to a dispensary agent and registry identification card to a cultivation facility agent.

B. The Commission shall adopt rules necessary to:

1. Carry out the purposes of this act; and
2. Perform its duties under this act.

Rules adopted under this section are rules as defined in the Oklahoma Administrative Procedures Act.

C. Not later than one hundred twenty (120) days after the effective date of this act, the Commission shall adopt rules governing:

1. The manner in which the Commission considers applications for and renewals of registry identification cards for dispensary agents and cultivation facility agents;
2. The form and content of registration and renewal applications for dispensary agents and cultivation facility agents;

3. Procedures for suspending or terminating the registration of dispensary agents and cultivation facility agents who violate the provisions of this act or the rules adopted under this act, procedures for appealing penalties, and a schedule of penalties; and

4. Any other matters necessary for the fair, impartial, stringent and comprehensive administration of its duties under this act.

D. The Commission may conduct criminal records checks in order to carry out the provisions of this section.

E. Except as provided herein, the Commission shall issue each dispensary agent and cultivation facility agent a registry identification card within ten (10) days of receipt of:

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

2. A reasonable fee in an amount established by rule for the Commission.

F. 1. The Commission shall not issue a registry identification card to a dispensary agent or cultivation facility agent who has been convicted of an excluded violent crime.

2. The Commission may conduct a criminal background check of each dispensary agent or cultivation facility agent in order to carry out the provisions of this subsection.
3. The Commission shall notify the dispensary or cultivation facility in writing of the reason for denying the registry identification card.

G. 1. A registry identification card for a dispensary agent or cultivation facility agent shall expire one (1) year after the date of issuance.

2. A registry identification card of a dispensary agent or cultivation facility agent expires upon notification to the Commission by a dispensary or cultivation facility that the person ceases to work at the dispensary or cultivation facility.

H. The Commission may charge a reasonable fee as established by rule for the issuance of a new, renewal or replacement registry identification card.

I. 1. The Commission may revoke the registry identification card of a dispensary agent or cultivation facility agent who knowingly violates any provision of this act, and the cardholder is subject to any other penalties established by law for the violation.

2. The Commission may revoke or suspend the dispensary license or cultivation facility license of a dispensary or cultivation facility that the Commission determines knowingly aided or facilitated a violation of any provision of this act, and the cardholder is subject to any other penalties established in law for the violation.
SECTION 10.  NEW LAW  A new section of law to be codified in the Oklahoma Statutes as Section 2-1010 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. Dispensaries and cultivation facilities shall be highly regulated by the state. Therefore, a dispensary and cultivation facility shall be subject to reasonable inspection by the Alcoholic Beverage Laws Enforcement Commission.

B. 1. A dispensary or a cultivation facility shall be an entity incorporated in the State of Oklahoma.

2. A dispensary and cultivation facility shall implement appropriate security measures to deter and prevent unauthorized entrance into areas containing marijuana and the theft of marijuana.

3. A dispensary and cultivation facility shall have procedures in place to ensure accurate recordkeeping.

4. Each dispensary shall keep the following records, dating back at least three (3) years:

   a. records of the disposal of marijuana that is not distributed by the dispensary to qualifying patients, and

   b. a record of each transaction, including the amount of marijuana dispensed, the amount of compensation and the registry identification number of the qualifying patient or designated caregiver.

5. Each dispensary and cultivation facility shall:
a. conduct an initial comprehensive inventory of all marijuana, including without limitation usable marijuana available for dispensing, mature marijuana plants and seedlings at each authorized location on the date the dispensary first dispenses usable marijuana or the cultivation facility first cultivates, prepares, manufactures, processes or packages usable marijuana, and

b. conduct a biannual comprehensive inventory of all marijuana, including without limitation usable marijuana available for dispensing, mature marijuana plants and seedlings at each authorized location.

6. All cultivation of marijuana shall take place in an enclosed, locked facility.

7. A qualifying patient or designated caregiver acting on behalf of a qualifying patient shall not be dispensed more than a total of two and one-half (2 1/2) ounces of usable marijuana during a fourteen-day period.

8. A dispensary or a dispensary agent may not dispense more than a total of two and one-half (2 1/2) ounces of usable marijuana to either a qualifying patient or designated caregiver acting on behalf of a qualifying patient during a fourteen-day period. Each time a dispensary agent dispenses usable marijuana to a qualifying agent or designated caregiver, he or she shall verify that the
dispensing of usable marijuana would not cause the qualifying
patient or designated caregiver to receive more usable marijuana
than is permitted in a fourteen-day period. Each time usable
marijuana is dispensed, the dispensary agent shall:

a. record the date the usable marijuana was dispensed and
   the amount dispensed, and
b. notify the State Department of Health in the manner
   required by the Department.

The State Department of Health shall maintain a database that
enables a dispensary to verify that dispensing usable marijuana to a
qualifying patient or designated caregiver will not cause the
qualifying patient or designated caregiver to exceed the amount
allowed by law. All records shall be kept according to the registry
identification number of the qualifying patient or designated
caregiver.

9. The dispensary records with patient information shall be
treated as confidential medical records.

SECTION 11. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 2-1011 of Title 63, unless there
is created a duplication in numbering, reads as follows:

A. A dispensary or cultivation facility is not subject to the
following:

1. Prosecution for the acquisition, possession, cultivation,
   processing, preparation, manufacture, delivery, transfer, transport,
sale, supply, or dispensing of marijuana and related supplies in accordance with the provisions of this act and any rule adopted under this act;

2. Inspection, except under the provisions of Section 10 of this act or upon a search warrant issued by a court or judicial officer;

3. Seizure of marijuana, except upon any order issued by a court or judicial officer and with due process of law; or

4. Imposition of a penalty or denial of a right or privilege, including without limitation imposition of a civil penalty or disciplinary action by a business or occupational or professional licensing board or entity, solely for acting in accordance with this act.

B. 1. A dispensary agent or cultivation facility agent shall not be subject to arrest, prosecution, search, seizure or penalty in any manner or denied any right or privilege, including without limitation civil penalty or disciplinary action by a business or occupational or professional licensing board or entity, solely for working for or with a dispensary or cultivation facility to engage in acts permitted by this act.

2. A dispensary agent or cultivation facility agent may possess and manufacture marijuana at the dispensary or cultivation facility location or locations for which the dispensary agent or cultivation
facility agent is registered or when transferring marijuana under this section.

3. A dispensary agent who is a volunteer:
   a. may possess and manufacture marijuana at a dispensary location, and
   b. may not dispense or transport marijuana.

4. A cultivation facility shall label the marijuana that is moved between the cultivation facility and a dispensary or other cultivation facility with a trip ticket that identifies the cultivation facility by identification number, the time, date, origin and destination of the marijuana being transported, and the amount and form of marijuana that is being transported.

SECTION 12. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-1012 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. Except as provided in Section 3 of this act, a dispensary may not dispense, deliver, or otherwise transfer marijuana to a person other than a qualifying patient or designated caregiver.

B. 1. Except as provided in Section 3 of this act, the Alcoholic Beverage Laws Enforcement Commission shall immediately revoke the registry identification card of a dispensary agent who has dispensed, delivered or otherwise transferred marijuana to a person other than a qualifying patient or designated caregiver, and
that dispensary agent shall be disqualified from serving as a
dispensary agent.

2. A dispensary employing a dispensary agent found to violate
paragraph 1 of this subsection is not subject to penalties,
including without limitation the revocation of its license, for the
actions of a dispensary agent unless the dispensary knowingly aided
or facilitated the violation.

SECTION 13. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 2-1013 of Title 63, unless there
is created a duplication in numbering, reads as follows:

A cultivation facility may sell marijuana plants, seeds and
usable marijuana only to a dispensary or other cultivation facility.

SECTION 14. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 2-1014 of Title 63, unless there
is created a duplication in numbering, reads as follows:

A. This act shall not prohibit a city, incorporated town or
county of this state from enacting reasonable zoning regulations
applicable to dispensaries or cultivation facilities, provided that
those zoning regulations are the same as those for a licensed retail
pharmacy.

B. This section shall not allow a city, incorporated town or
county to prohibit the operation of any dispensaries or cultivation
facilities in the city, incorporated town or county unless such a
prohibition is approved at an election under Section 1 of Article V of the Oklahoma Constitution.

SECTION 15.  NEW LAW  A new section of law to be codified in the Oklahoma Statutes as Section 2-1015 of Title 63, unless there is created a duplication in numbering, reads as follows:

A physician shall not:

1. Accept, solicit or offer any form of pecuniary remuneration from or to a dispensary or cultivation facility; provided however, that this does not prohibit a physician who is also a qualifying patient from purchasing usable marijuana from a dispensary;

2. Offer a discount or other thing of value to a qualifying patient who uses or agrees to use a particular dispensary;

3. Examine a patient for purposes of diagnosing a qualifying medical condition at a dispensary; or

4. Hold an economic interest in a dispensary or cultivation facility if the physician certifies the qualifying medical condition of a patient for medical use of marijuana.

SECTION 16.  NEW LAW  A new section of law to be codified in the Oklahoma Statutes as Section 2-1016 of Title 63, unless there is created a duplication in numbering, reads as follows:

If the State Department of Health, Alcoholic Beverage Laws Enforcement Commission or Medical Marijuana Commission fails to adopt rules to implement this act within the time prescribed or fails to issue the minimum number of dispensary licenses or
cultivation facility licenses, any person who would be a qualifying patient under this act may commence a mandamus action in Oklahoma County District Court to compel the State Department of Health, Alcoholic Beverage Laws Enforcement Commission or Medical Marijuana Commission to perform the actions mandated under the provisions of this act.

SECTION 17. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-1017 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The sale of usable marijuana is subject to all state and local sales taxes at the same rate as other goods.

B. The state sales tax revenues received by the Oklahoma Tax Commission from the sale of usable marijuana under this act shall be distributed as follows:

1. Five percent (5%) shall be paid to the State Treasurer to be placed in the Public Health Special Fund of the State Department of Health;

2. Four percent (4%) shall be paid to the State Treasurer to be placed in the ABLE Commission Revolving Fund of the Alcoholic Beverage Laws Enforcement Commission;

3. One percent (1%) shall be paid to the State Treasurer to be placed in the Medical Marijuana Commission Revolving Fund created pursuant to Section 20 of this act;
4. Ten percent (10%) shall be paid to the State Treasurer to be placed in the _____________ Revolving Fund of the Oklahoma Department of Career and Technology Education for the development and implementation of workforce training programs;

5. Fifty percent (50%) shall be paid to the State Treasurer to be placed in the _____________ Revolving Fund of the _______________________________; and

6. Thirty percent (30%) shall be paid to the State Treasurer to be placed in the General Revenue Fund and used for the general expense of state government.

SECTION 18. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-1018 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. The following funds shall be used by the State Department of Health to perform its duties under this act:

1. State sales tax revenues received pursuant to the provisions of Section 17 of this act;

2. The revenue generated from fees, penalties and other assessments of the Department provided for by this act, including without limitation:
   a. registry identification card application and renewal fees, and
   b. fees for replacement registry identification cards.
Revenue generated from fees, penalties and other assessments under this act shall be used solely for the performance of the duties of the Department under this act and shall be used for no other purpose;

3. Private donations, if such funds are available; and

4. Other appropriations by the Legislature, if such funds are available.

B. The following funds shall be used by the Alcoholic Beverage Laws Enforcement Commission to perform its duties under this act:

1. State sales tax revenues received pursuant to the provisions of Section 17 of this act;

2. The revenue generated from fees, penalties and other assessments of the Commission provided for by this act;

3. Private donations, if such funds are available; and

4. Other appropriations by the Legislature, if such funds are available.

C. The following funds shall be used by the Medical Marijuana Commission to perform its duties under this act:

1. State sales tax revenues received pursuant to the provisions of Section 17 of this act;

2. The revenue generated from fees, penalties and other assessments of the Medical Marijuana Commission provided for by this act, including without limitation dispensary and cultivation facility application fees, licensing fees and renewal fees;
3. Private donations, if such funds are available; and
4. Other appropriations by the Legislature, if such funds are available.

SECTION 19. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-1019 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created a Medical Marijuana Commission to determine the qualifications for receiving a license to operate a dispensary or a license to operate a cultivation facility and the awarding of licenses.

B. Each member of the Commission shall serve a term of four (4) years.

C. The Commission shall consist of five (5) members as follows:
   1. Two members appointed by the President Pro Tempore of the Oklahoma Senate;
   2. Two members appointed by the Speaker of the Oklahoma House of Representatives; and
   3. One member appointed by the Governor.

D. Vacancies on the Commission shall be filled in the manner of the original appointment. The Commission shall select one of its members as chair of the Commission. An affirmative vote of a majority of a quorum present shall be necessary to transact business.
E. One of the initial members appointed by the President Pro Tempore of the Oklahoma Senate shall serve a term of two (2) years and one of the initial members appointed by the President Pro Tempore of the Oklahoma Senate shall serve a term of four (4) years.

F. One of the initial members appointed by the Speaker of the Oklahoma House of Representatives shall serve a term of two (2) years and one of the initial members appointed by the Speaker of the Oklahoma House of Representatives shall serve a term of four (4) years.

G. The initial member appointed by the Governor shall serve a term of four (4) years.

H. All subsequent persons appointed to the Commission shall serve a term of four (4) years.

I. A member of the Commission shall:
   1. Be a citizen of the United States;
   2. Be a resident of the State of Oklahoma for at least ten (10) years preceding his or her appointment;
   3. Be a qualified elector;
   4. Be at least twenty-five (25) years of age; and
   5. Have no economic interest in a dispensary or cultivation facility.

J. The Commission, by a majority vote of the total membership of the Commission cast during its first regularly scheduled meeting of each calendar year, may authorize payment to its members of a
stipend not to exceed Eighty-five Dollars ($85.00) per day for each
meeting attended or for any day while performing any proper business
of the Commission.

K. Members of the Commission shall receive no other
compensation, expense reimbursement or in-lieu-of payments.

L. The Commission may employ staff necessary to assist in the
performance of its duties under this act.

M. The Alcoholic Beverage Laws Enforcement Commission shall
provide staff for the Commission if the Commission does not have
employees available for that purpose.

N. Initial members of the Commission shall be appointed within
thirty (30) days of the effective date of this act.

O. The President Pro Tempore of the Oklahoma Senate shall call
the first meeting of the Commission, which shall occur within forty-
five (45) days of the effective date of this act.

SECTION 20. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 2-1020 of Title 63, unless there
is created a duplication in numbering, reads as follows:

There is hereby created in the State Treasury a revolving fund
for the Medical Marijuana Commission to be designated the "Medical
Marijuana Commission Revolving Fund". The fund shall be a
continuing fund, not subject to fiscal year limitations, and shall
consist of any monies received from the state sales tax revenues
from the sale of usable medical marijuana as provided in the

Req. No. 6255
Oklahoma Medical Marijuana Act of 2017. All monies accruing to the
credit of said fund are hereby appropriated and may be budgeted and
expended by the Medical Marijuana Commission for general operations
of the Commission. Expenditures from said fund shall be made upon
warrants issued by the State Treasurer against claims filed as
prescribed by law with the Director of the Office of Management and
Enterprise Services for approval and payment.

SECTION 21. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-1021 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. By adoption of this act, there is no implied repeal of the existing Oklahoma laws criminalizing possession of marijuana for purposes not specified in this act.

B. This act acknowledges that marijuana use, possession and distribution for any purpose remains illegal under federal law.

SECTION 22. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-1022 of Title 63, unless there is created a duplication in numbering, reads as follows:

The provisions of this act:

1. Authorize the growing of marijuana at a dispensary or cultivation facility that is properly licensed with the state; and

2. Do not authorize a qualifying patient, designated caregiver or other person to grow marijuana.
SECTION 23. This act shall become effective November 1, 2017.

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