ENGR. H. A. to ENGR. S. B. NO. 882

ENGROSSED HOUSE AMENDMENT
TO
ENGROSSED SENATE BILL NO. 882

By: Weaver of the Senate

and

Fetgatter of the House

An Act relating to medical marijuana; creating the
Oklahoma Medical Marijuana Waste Management Act;
providing for medical marijuana to be subject to the
provisions of this act; providing definitions;
creating certain license; requiring certain license
for disposal of medical marijuana waste; directing
limit on available licenses; directing certain
application information be provided; requiring
certain liability insurance or financial assurance;
allowing annual inspection; requiring permit for each
facility; providing for cost of license and permit;
directing fees to be deposited; authorizing
promulgation of rules; providing for codification;
and providing an effective date.

AMENDMENT NO. 1. Delete the title, enacting clause and entire bill
and replace with

"An Act relating to medical marijuana; creating the
Oklahoma Medical Marijuana Waste Management Act;
defining terms; exempting provisions of the act from
the Uniform Controlled Dangerous Substances Act;
affirming jurisdiction and environmental
responsibilities of the Department of Environmental
Quality; authorizing commercial licensees and
certain entities to destroy certain marijuana plant
parts without utilizing required disposal facility;
stating manner by which plant parts may be
destroyed; requiring documentation of amount and
manner by which marijuana waste is disposed;
requiring maintenance of disposal records for
certain amount of time; authorizing inspection and auditing by the Oklahoma Medical Marijuana Authority; creating medical marijuana waste disposal license; authorizing licensees to possess, transport and dispose of marijuana waste; providing restrictions on issuing licenses; allowing Oklahoma Medical Marijuana Authority to issue temporary licenses; providing limitation on number of licenses to be issued; authorizing Authority to assess need for additional licenses; establishing screening process requirements for entities; providing application requirements; providing for submission of certain documentation; requiring certain liability insurance or financial assurance; authorizing entry into facilities for inspections; allowing annual inspections and inspections when complaints are received by the Authority; directing Authority to refer complaints of criminal activity to appropriate state or local law enforcement authorities; authorizing Authority to issue medical marijuana waste disposal facility permits; providing restrictions on issuing permits; allowing for the issuance of temporary permits; establishing cost for waste disposal licenses and permits; directing deposit of proceeds into certain fund; exempting medical marijuana waste disposal licensees from transporter licensing requirements; directing commercial licensees to utilize disposal services; directing State Commissioner of Health to promulgate certain rules; amending Section 2 of Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma Legislature; providing exception to certain definitions; providing for codification; providing effective dates; and declaring an emergency.

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 427 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 Waste Management Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 428 of Title 63, unless there is created a duplication in numbering, reads as follows:

As used in this act:

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

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

3. "Disposal" shall mean the final disposition of medical marijuana waste by either a process which renders the waste unusable through physical destruction or a recycling process;

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

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

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

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

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

SECTION 3. NEW LAW A new section of law to be codified
in the Oklahoma Statutes as Section 429 of Title 63, unless there is
created a duplication in numbering, reads as follows:

A. Medical marijuana waste shall be subject to the provisions
of this act and shall not be subject to the provisions of the
Uniform Controlled Dangerous Substances Act. Nothing in this act
shall alter or affect the jurisdictional areas of environmental
responsibility of the Department of Environmental Quality as
provided for in Title 27A of the Oklahoma Statutes.

B. Commercial licensees, medical marijuana research facilities
and medical marijuana education facilities shall be authorized to
destroy the following marijuana plant parts without being required
to utilize the services of a medical marijuana waste disposal
facility:

1. Root balls;

2. Stems;

3. Fan leaves; and

Unless restricted by local ordinance, commercial licensees, medical marijuana research facilities and medical marijuana education facilities shall be authorized to destroy the above-listed marijuana plant parts on-site by open burning, incineration, burying, mulching, composting or any other technique approved by the Department of Environmental Quality.

C. Commercial licensees, medical marijuana research facilities and medical marijuana education facilities engaged in the disposal of medical marijuana waste shall create and maintain documentation on a form prescribed by the Oklahoma Medical Marijuana Authority that includes precise weights or counts of medical marijuana waste and the manner in which the medical marijuana waste is disposed. Such documentation shall contain a witness affidavit and signature attesting to the lawful disposal of the medical marijuana waste under penalty of perjury. All disposal records shall be maintained by commercial licensees, medical marijuana research facilities and medical marijuana educational facilities for a period of five (5) years and shall be subject to inspection and auditing by the Authority.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 430 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created and authorized a medical marijuana waste disposal license. A person or entity in possession of a
medical marijuana waste disposal license shall be entitled to possess, transport and dispose of medical marijuana waste. No person or entity shall possess, transport or dispose of medical marijuana waste without a valid medical marijuana waste disposal license. The Oklahoma Medical Marijuana Authority shall issue licenses upon proper application by a licensee and determination by the Authority that the proposed site and facility are physically and technically suitable. Upon a finding that a proposed medical marijuana waste disposal facility is not physically or technically suitable, the Authority shall deny the license. The Authority may, upon determining that public health or safety requires emergency action, issue a temporary license for treatment or storage of medical marijuana waste for a period not to exceed ninety (90) days. The Authority shall not, for the first year of the licensure program, issue more than ten licenses. Upon the conclusion of the first year, the Authority shall assess the need for additional licenses and shall, if demonstrated, increase the number of licenses as deemed necessary by the Authority.

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

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

   a. an attestation that the applicant is authorized to make application on behalf of the entity,
b. full name of the organization,

c. trade name, if applicable,

d. type of business organization,

e. complete mailing address,

f. an attestation that the commercial entity will not be located on tribal land,

g. telephone number and email address of the entity, and

h. name, residential address and date of birth of each owner and each member, manager and board member, if applicable;

2. The application for a medical marijuana waste disposal license made by an individual on his or her own behalf shall be on the form prescribed by the Authority and shall include, but not be limited to:

a. the first, middle and last name of the applicant and suffix, if applicable,

b. the residence address and mailing address of the applicant,

c. the date of birth of the applicant,

d. the preferred telephone number and email address of the applicant,

e. an attestation that the information provided by the applicant is true and correct, and
f. a statement signed by the applicant pledging not to divert marijuana to any individual or entity that is not lawfully entitled to possess marijuana; and

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

   a. a list of all persons or entities that have an ownership interest in the entity,

   b. a certificate of good standing from the Oklahoma Secretary of State, if applicable,

   c. an Affidavit of Lawful Presence for each owner,

   d. proof that the proposed location of the disposal facility is at least one thousand (1,000) feet from a public or private school. The distance shall be measured from any entrance of the school to the nearest property line point of the facility, and

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

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

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

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

F. The cost of a medical marijuana waste disposal license shall be Five Thousand Dollars ($5,000.00) for the initial license. The cost of a medical marijuana waste disposal facility permit shall be Five Hundred Dollars ($500.00). A medical marijuana waste disposal facility permit that has been revoked shall be reinstated upon remittance of a reinstatement fee of Five Hundred Dollars ($500.00) to restore the facility permit. All license and permit fees shall be deposited into the Public Health Special Fund as provided in Section 1-107 of Title 63 of the Oklahoma Statutes.
G. The holder of a medical marijuana waste disposal license shall not be required to obtain a medical marijuana transporter license provided for in the Oklahoma Medical Marijuana and Patient Protection Act for purposes of transporting medical marijuana waste.

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

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

SECTION 5. AMENDATORY Section 2 of Enrolled House Bill No. 2612 of the 1st Session of the 57th Oklahoma Legislature, is amended to read as follows:

Section 2. As used in this act:

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

2. "Authority" means the Oklahoma Medical Marijuana Authority;
3. "Batch number" means a unique numeric or alphanumeric identifier assigned prior to testing to allow for inventory tracking and traceability;

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

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

6. "Child-resistant" means special packaging that is:
   a. designed or constructed to be significantly difficult for children under five (5) years of age to open and not difficult for normal adults to use properly as defined by 16 C.F.R. 1700.15 (1995) and 16 C.F.R. 1700.20 (1995),
   b. opaque so that the outermost packaging does not allow the product to be seen without opening the packaging material, and
   c. resealable to maintain its child-resistant effectiveness for multiple openings for any product intended for more than a single use or containing multiple servings;

7. "Clone" means a nonflowering plant cut from a mother plant that is capable of developing into a new plant and has shown no signs of flowering;
8. "Commissioner" means the State Commissioner of Health;

9. "Complete application" means a document prepared in accordance with the provisions set forth in this act, rules promulgated pursuant thereto, and the forms and instructions provided by the Department, including any supporting documentation required and the applicable license application fee;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23. "Immature plant" means a nonflowering marijuana plant that has not demonstrated signs of flowering;
24. "Inventory tracking system" means the required tracking system that accounts for medical marijuana from either the seed or immature plant stage until the medical marijuana or medical marijuana product is sold to a patient at a medical marijuana dispensary, transferred to a medical marijuana research facility, destroyed by a medical marijuana business or used in a research project by a medical marijuana research facility;

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

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

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

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

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

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

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

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

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

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

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

36. "Medical marijuana product" or "product" means a product that contains cannabinoids that have been extracted from plant material or the resin therefrom by physical or chemical means and is intended for administration to a qualified patient including, but not limited to, oils, tinctures, edibles, pills, topical forms, gels, creams, vapors, patches, liquids, and forms administered by a nebulizer, excluding live plant forms which are considered medical marijuana;
37. "Medical marijuana processor" means a person or entity licensed pursuant to this act to operate a business including the production, manufacture, extraction, processing, packaging or creation of concentrate, medical-marijuana-infused products or medical marijuana products as described in this act;

38. "Medical marijuana research facility" or "research facility" means a person or entity approved pursuant to this act to conduct medical marijuana research. A medical marijuana research facility is not a medical marijuana business;

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

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

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

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

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

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

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

46. "Owner" means, except where the context otherwise requires, a direct beneficial owner including, but not limited to, all persons or entities as follows:

   a. all shareholders owning an interest of a corporate entity and all officers of a corporate entity,
   b. all partners of a general partnership,
c. all general partners and all limited partners that own an interest in a limited partnership,

d. all members that own an interest in a limited liability company,

e. all beneficiaries that hold a beneficial interest in a trust and all trustees of a trust,

f. all persons or entities that own interest in a joint venture,

g. all persons or entities that own an interest in an association,

h. the owners of any other type of legal entity, and

i. any other person holding an interest or convertible note in any entity which owns, operates or manages a licensed facility;

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

48. "Person" means a natural person, partnership, association, business trust, company, corporation, estate, limited liability company, trust or any other legal entity or organization, or a manager, agent, owner, director, servant, officer or employee thereof, except that "person" does not include any governmental organization;
49. "Pesticide" means any substance or mixture of substances intended for preventing, destroying, repelling or mitigating any pest or any substance or mixture of substances intended for use as a plant regulator, defoliant or desiccant, except that the term "pesticide" shall not include any article that is a "new animal drug" as designated by the United States Food and Drug Administration;

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

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

52. "Public money" means any funds or money obtained by the holder from any governmental entity including, but not limited to, research grants;
53. "Recommendation" means a document that is signed or electronically submitted by a physician on behalf of a patient for the use of medical marijuana pursuant to this act;

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

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

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

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

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

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

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

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

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

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

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

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

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

67. "Usable marijuana" means the dried leaves, flowers, oils, vapors, waxes and other portions of the marijuana plant and any mixture or preparation thereof, excluding seed, roots and stems, stalks and fan leaves; and
68. "Water-based medical marijuana concentrate" means a concentrate that was produced by extracting cannabinoids from medical marijuana through the use of only water, ice, or dry ice.

SECTION 6. Sections 1, 2, 4 and 5 of this act shall become effective November 1, 2019.

SECTION 7. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval."

Passed the House of Representatives the 18th day of April, 2019.

Presiding Officer of the House of Representatives

Passed the Senate the ___ day of __________, 2019.

__________________________
Presiding Officer of the Senate
An Act relating to medical marijuana; creating the Oklahoma Medical Marijuana Waste Management Act; providing for medical marijuana to be subject to the provisions of this act; providing definitions; creating certain license; requiring certain license for disposal of medical marijuana waste; directing limit on available licenses; directing certain application information be provided; requiring certain liability insurance or financial assurance; allowing annual inspection; requiring permit for each facility; providing for cost of license and permit; directing fees to be deposited; authorizing promulgation of rules; providing for codification; and providing an effective date.

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

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 427 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 Waste Management Act".
SECTION 9. NEW LAW    A new section of law to be codified in the Oklahoma Statutes as Section 428 of Title 63, unless there is created a duplication in numbering, reads as follows:

    Medical Marijuana waste shall be subject to the provisions of this act and shall not be subject to the provisions of the Uniform Controlled and Dangerous Substances Act, as provided in Section 2-101 et seq. of Title 63 of the Oklahoma Statutes.

SECTION 10. NEW LAW    A new section of law to be codified in the Oklahoma Statutes as Section 429 of Title 63, unless there is created a duplication in numbering, reads as follows:

    A. As used in this act:

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

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

    3. "Disposal" shall mean the final disposition of medical marijuana waste by either a process which renders the waste unusable through physical destruction or a recycling process;

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

    5. "License" shall mean a Medical Marijuana Waste Disposal License;
6. "Licensee" shall mean the holder of a Medical Marijuana Waste Disposal License;

7. "Medical marijuana waste" shall include, but not be limited to unused, surplus, returned or out-of-date marijuana, recalled marijuana, marijuana that has failed laboratory testing, plant debris of the plant of the genus cannabis, including dead plants and all unused plant parts and roots, and any wastewater generated during growing and processing; and

8. "Medical Marijuana Waste Disposal License" shall mean a license issued by the Oklahoma Medical Marijuana Authority or successor agency.

SECTION 11. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 430 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created and authorized a Medical Marijuana Waste Disposal License. A person or entity in possession of a Medical Marijuana Waste Disposal License shall be entitled to possess, transport and dispose of medical marijuana waste. No person or entity shall possess, transport or dispose of medical marijuana waste without a valid Medical Marijuana Waste Disposal License. The Oklahoma Medical Marijuana Authority shall issue licenses upon proper application by a licensee and determination by the Authority that the proposed site and facility are physically and technically suitable. Upon a finding that a proposed medical
marijuana waste facility is not physically or technically suitable, the Authority shall deny the license. The Authority may, upon determining that public health or safety requires emergency action, issue a temporary permit for treatment or storage of medical marijuana waste for a period not to exceed ninety (90) days. The Authority shall not, for the first year of the licensure program, issue more than ten (10) licenses. Upon the conclusion of the first year, the Authority shall assess the need for additional licenses and shall, if demonstrated, increase the number of licenses as deemed necessary by the Authority.

B. Entities applying for a Medical Marijuana Waste Disposal License shall undergo the following screening process:

1. Complete an application form, as prescribed by the Authority, which shall include:
   a. an attestation that the applicant is authorized to make application on behalf of the entity,
   b. full name of the organization,
   c. trade name, if applicable,
   d. type of business organization,
   e. complete mailing address,
   f. an attestation that the commercial entity will not be located on tribal land,
   g. telephone number and email address of entity, and
h. name, residential address and date of birth of each
   owner and each member, manager and board member, if
   applicable;

2. The application for a commercial license made by an
   individual on their own behalf shall be on the form prescribed by
   the Authority and shall include, but not be limited to:
   a. the applicant's first, middle and last name and
      suffix, if applicable,
   b. the applicant's residence address and mailing address,
   c. the applicant's date of birth,
   d. the applicant's preferred telephone number and email
      address,
   e. an attestation that the information provided by the
      applicant is true and correct, and
   f. a statement signed by the applicant pledging not to
      divert marijuana to any individual or entity that is
      not lawfully entitled to possess marijuana;

3. Each application shall be accompanied by the following
   documentation:
   a. a list of all persons and/or entities that have an
      ownership interest in the entity,
   b. a certificate of good standing from the Oklahoma
      Secretary of State, if applicable,
   c. an Affidavit of Lawful Presence for each owner,
d. proof that the proposed location of the disposal service is at least one thousand (1,000) feet from a public or private school. The distance shall be measured from any entrance of the school to the nearest property line point of the facility, and

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

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

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

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

7. The cost of a medical marijuana waste disposal license shall be Five Thousand Dollars ($5,000.00) for the initial license. The cost of a medical marijuana waste disposal facility permit shall be Five Hundred Dollars ($500.00). A facility permit that has been revoked shall remit a reinstatement fee of Five Hundred Dollars ($500.00) to restore the facility permit. All license and permit fees shall be deposited into the Public Health Special Fund as provided in Section 1-107 of Title 63 of the Oklahoma Statutes;

8. All commercial licensees, as defined in Section 3 of this act, shall utilize a licensed medical marijuana waste disposal service to process all medical marijuana waste generated by the licensee; and

9. The Oklahoma Medical Marijuana Authority shall promulgate rules for the implementation of this act. Promulgated rules shall address disposal process standards, site security and any other subject matter deemed necessary by the Authority.

SECTION 12. This act shall become effective November 1, 2019.
Passed the Senate the 26th day of February, 2019.

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Presiding Officer of the Senate

Passed the House of Representatives the ___ day of ________, 2019.

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Presiding Officer of the House of Representatives