STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 882

By: Weaver of the Senate
and
Fetgatter of the House

COMMITTEE SUBSTITUTE

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 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:

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 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. 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 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 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 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; and

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.

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 5. This act shall become effective November 1, 2019.