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

SECTION 1. AMENDATORY Section 2, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 421), is amended to read as follows:

Section 421. A. The Oklahoma State Department of Health shall, within thirty (30) days of passage of this initiative, make available on their website of the Department, in an easy-to-find location, an application for a medical marijuana dispensary license. The application fee shall be Two Thousand Five Hundred
Dollars ($2,500.00) and a. A method of payment will shall be provided on the website. Retail Dispensary applicants must all be Oklahoma state residents. Any entity applying for a retail license must be owned by an Oklahoma state resident and must be registered to do business in Oklahoma. The Oklahoma State Department of Health shall have two (2) weeks to review the application, approve or reject the application, and mail the approval/rejection approval or rejection letter (if rejected, stating to the applicant. If the application is rejected, the letter shall state the reasons for rejection) to rejecting the application submitted by the applicant.

B. The Oklahoma State Department of Health must shall approve all applications which meet the following criteria:

1. Applicant The applicant must be age twenty-five (25) years of age or older;

2. Any The applicant, applying as an individual, must show residency in the State of Oklahoma;

3. All applying entities must show that all members, managers, and board members are Oklahoma residents;

4. An applying entity may show ownership of non-Oklahoma residents, but that percentage ownership may not exceed twenty-five percent (25%);

5. All applying individuals or entities must be registered to conduct business in the State of Oklahoma;

6. All applicants must disclose all ownership;
7. **Applicant(s)** Applicants with only a nonviolent felony conviction(s) in the last two (2) years, any other felony conviction in the last five (5) years, inmates under the custody of the Department of Corrections, or any person currently incarcerated may not qualify for a medical marijuana dispensary license.

C. Retailers will **Dispensaries shall** be required to complete a monthly sales report to the [Oklahoma State](#) Department of Health. This report will be due on the 15th of each month and provide reporting on the previous month. This report will detail the weight of marijuana purchased at wholesale and the weight of marijuana sold to card holders licensed medical marijuana patients or licensed medical marijuana caregivers, and account for any waste. The report will show total sales in dollars, tax collected in dollars, and tax due in dollars. The Oklahoma State Department of Health will have oversight and auditing responsibilities to ensure that all marijuana being grown is accounted for. A retailer only be subject to a penalty if a gross discrepancy exists and cannot be explained. Penalties for fraudulent reporting occurring within any two-year time period will be an initial fine of Five Thousand Dollars ($5,000.00) (first) for the first offense and revocation of licensing (second) the medical marijuana dispensary license for the second offense.

D. Only a licensed medical marijuana retailer may conduct retail sales of marijuana or marijuana derivatives in the
form provided by licensed processors, and these can. Beginning
November 1, 2020, licensed medical marijuana dispensaries shall be
authorized to grind and offer for sale pre-rolled marijuana
cigarettes to licensed medical marijuana patients or licensed
medical marijuana caregivers. The products described in this
subsection may only be sold to a licensed medical marijuana license
holder patients or their caregiver licensed medical marijuana
caregivers. Penalties for fraudulent sales occurring within any 2
two-year time period will shall be an initial fine of Five Thousand
Dollars ($5,000.00) (first) for the first offense and revocation of
licensing (second) the medical marijuana dispensary license for the
second offense.

SECTION 2. This act shall become effective November 1, 2020.

COMMITTEE REPORT BY: COMMITTEE ON RULES, dated 02/18/2020 - DO PASS, As Coauthored.