SENATE FLOOR VERSION  
February 13, 2020

SENATE BILL NO. 1248  By: Standridge

An Act relating to medical marijuana; amending Section 2, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 421), which relates to medical marijuana dispensary license; authorizing licensed pharmacy to apply for dispensary license and operate as dispensary upon certain federal action; clarifying language; and providing an effective date.

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, 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 method of payment shall be provided on the website. Retail Dispensary applicants must all be Oklahoma state residents. Any entity applying for a retail dispensary license must
be owned by an Oklahoma state resident and must be registered to do
business in Oklahoma. The Oklahoma State Department of Health
Department shall have two (2) weeks to review the application,
approve or reject the application, and mail the
approval/rejection approval or denial letter (if rejected, stating
any reasons for rejection) denial, to the applicant.

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

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

2. Any 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) with only nonviolent felony conviction(s) in
the last two (2) years, any other felony conviction in five (5)
(years), inmates, or any person currently incarcerated may not
qualify for a medical marijuana dispensary license.
C. Retailers will **Dispensaries shall** be required to complete submit a monthly sales report to the **Oklahoma Department of Health** Department. This report will **shall** be due on the 15th of each month and provide reporting on the previous month. This report will **shall** detail the weight of marijuana purchased at wholesale and the weight of marijuana sold to card holders, and account for any waste. The report will **shall** show total sales in dollars, tax collected in dollars, and tax due in dollars. The **Oklahoma State Department of Health will Department shall** have oversight and auditing responsibilities to ensure that all marijuana being grown is accounted for. A retailer will **shall** only be subject to a penalty if a gross discrepancy exists and cannot be explained. Penalties for fraudulent reporting occurring within any 2-year **two-year** time period will be **shall be punishable by** an initial fine of Five Thousand Dollars ($5,000.00) (**first** for the first offense and revocation of licensing (**second**) license for a subsequent offense).

D. Only a licensed medical marijuana **retailer dispensary may** conduct retail sales of marijuana, or marijuana derivatives in the form provided by licensed processors, and these products can **may** only be sold to a medical marijuana license holder or their **caregiver of the medical marijuana license holder.** Penalties for fraudulent sales occurring within any 2-year **two-year** time period will be **shall be punishable by** an initial fine of Five Thousand
Dollars ($5,000.00) for the first offense and revocation of licensing for a subsequent offense.

E. Upon action by the federal government to remove marijuana from Schedule I of the Uniform Controlled Dangerous Substances Act, a licensed pharmacy in this state may apply for a medical marijuana dispensary license as provided for in this section and in Section 427.1 et seq. of this title and may operate as a medical marijuana dispensary upon approval of the application.

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

COMMITTEE REPORT BY: COMMITTEE ON BUSINESS, COMMERCE AND TOURISM February 13, 2020 - DO PASS