SENATE FLOOR VERSION
February 20, 2019

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 882

By: Weaver of the Senate
and
Fetgatter of the House

[ medical marijuana - Oklahoma Medical Marijuana Waste Management Act - license - codification - 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 "Medical Marijuana Waste" shall include, but not be limited to unused, surplus, returned or out-of-date marijuana, recalled marijuana, marijuana that has failed laboratory testing, plant debris of the plant of the genus cannabis, including dead plants and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;

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

COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
February 20, 2019 - DO PASS AS AMENDED