

# An Act

ENROLLED HOUSE  
BILL NO. 2272

By: West (Josh), Cornwell,  
McEntire, Sneed and Grego  
of the House

and

Murdock, Bergstrom,  
Bullard, Pederson and  
Rogers of the Senate

An Act relating to medical marijuana; amending Section 15, Chapter 11, O.S.L. 2019 (63 O.S. Supp. 2020, Section 427.15), which relates to disclosing financial interests; requiring an attestation under penalty of perjury for foreign interests in medical marijuana businesses by certain date; amending Section 6, Chapter 11, O.S.L. 2019, as amended by Section 7, Chapter 477, O.S.L. 2019 (63 O.S. Supp. 2020, Section 427.6), which relates to monitoring and disciplinary actions; updating statutory references; modifying language; providing for certain inspections within certain time; providing grace periods to gain compliance; requiring termination of license for failure to provide proof of business operations within certain time; providing an effective date; and declaring an emergency.

SUBJECT: Medical marijuana

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

SECTION 1. AMENDATORY Section 15, Chapter 11, O.S.L. 2019 (63 O.S. Supp. 2020, Section 427.15), is amended to read as follows:

Section 427.15 A. The State Department of Health Oklahoma Medical Marijuana Authority is hereby authorized to develop policies and procedures for disclosure by a medical marijuana business of financial interest and ownership.

B. Upon the effective date of this act, current medical marijuana business licensees and applicants seeking licensure as a medical marijuana business shall be required to submit under penalty of perjury an attestation confirming or denying the existence of any foreign financial interests in the medical marijuana business operation and shall disclose the identity of such ownership, if applicable. Medical marijuana business licensees shall, within sixty (60) days after the effective date of this act, submit such attestation to the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control. Applicants for a medical marijuana business license shall, within sixty (60) days after the approval of a medical marijuana business license application by the Oklahoma Medical Marijuana Authority, submit such attestation to the Bureau. Failure to submit the attestation or accompanying information to the Bureau within the specified sixty-day time period shall result in the immediate revocation of the medical marijuana business license. The Bureau shall prescribe the form of the attestation required under the provisions of this subsection and shall make the form available on its publicly accessible Internet website.

SECTION 2. AMENDATORY Section 6, Chapter 11, O.S.L. 2019, as amended by Section 7, Chapter 477, O.S.L. 2019 (63 O.S. Supp. 2020, Section 427.6), is amended to read as follows:

Section 427.6 A. The State Department of Health shall address issues related to the medical marijuana program in Oklahoma including, but not limited to, monitoring and disciplinary actions as they relate to the medical marijuana program.

B. 1. The Oklahoma Medical Marijuana Authority, Department or its designee may perform on-site assessments of a licensee or applicant for any medical marijuana business license issued pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act to determine compliance with ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act or submissions made pursuant to this section. The Oklahoma Medical Marijuana Authority, Department or its designee may enter the licensed premises of a medical marijuana business licensee or applicant to assess or monitor compliance.

2. ~~Inspections~~ Except as otherwise provided by law, inspections shall be limited to twice per calendar year and twenty-four (24) hours of notice shall be provided to a medical marijuana business applicant or licensee prior to an on-site assessment. However, additional inspections may occur when the Oklahoma Medical Marijuana Authority or Department shows that an additional inspection is necessary due to a violation of ~~this act~~ or noncompliance with the Oklahoma Medical Marijuana and Patient Protection Act. Such inspection may be without notice if the Oklahoma Medical Marijuana Authority or Department believes that such notice will result in the destruction of evidence.

3. The Department may review relevant records of a licensed medical marijuana business, licensed medical marijuana research facility or licensed medical marijuana education facility, and may require and conduct interviews with such persons or entities and persons affiliated with such entities, for the purpose of determining compliance with ~~Department~~ rules, requirements and applicable laws. However, prior to conducting any interviews with the medical marijuana business, research facility or education facility, the licensee shall be afforded sufficient time to secure legal representation during such questioning if requested by the business or facility or any of its agents or employees or contractors.

4. The Department shall refer complaints alleging criminal activity that are made against a licensee to appropriate Oklahoma state or local law enforcement authorities.

C. Disciplinary action may be taken against an applicant or licensee under ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act for not adhering to the law pursuant to the terms, conditions and guidelines set forth in ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act.

D. Disciplinary actions may include revocation, suspension or denial of an application, license or final authorization and other action deemed appropriate by the Department or the Oklahoma Medical Marijuana Authority.

E. Disciplinary actions may be imposed upon a medical marijuana business licensee for:

1. Failure to comply with or satisfy any provision of this section;

2. Falsification or misrepresentation of any material or information submitted to the Department;

3. Failing to allow or impeding a monitoring visit by authorized representatives of the Department;

4. Failure to adhere to any acknowledgement, verification or other representation made to the Department;

5. Failure to submit or disclose information required by this section or otherwise requested by the Department;

6. Failure to correct any violation of this section cited as a result of a review or audit of financial records or other materials;

7. Failure to comply with requested access by the Department to the licensed premises or materials;

8. Failure to pay a required monetary penalty;

9. Diversion of medical marijuana or any medical marijuana product, as determined by the Department;

10. Threatening or harming a patient, a medical practitioner or an employee of the Department; and

11. Any other basis indicating a violation of the applicable laws and regulations as identified by the Department.

F. Disciplinary actions against a licensee may include the imposition of monetary penalties, which may be assessed by the Department.

G. Penalties for sales by a medical marijuana business to persons other than those allowed by law occurring within any two-year time period may include an initial fine of One Thousand Dollars (\$1,000.00) for a first violation and a fine of Five Thousand Dollars (\$5,000.00) for any subsequent violation. The medical marijuana business may be subject to a revocation of any license granted pursuant to ~~this act~~ the Oklahoma Medical Marijuana and Patient Protection Act upon a showing that the violation was willful or grossly negligent.

H. 1. First offense for intentional and impermissible diversion of medical marijuana, concentrate, or products by a patient or caregiver to an unauthorized person shall not be punished under a criminal statute but may be subject to a fine of Two Hundred Dollars (\$200.00).

2. The second offense for impermissible diversion of medical marijuana, concentrate, or products by a patient or caregiver to an unauthorized person shall not be punished under a criminal statute but may be subject to a fine of not to exceed Five Hundred Dollars (\$500.00) and may result in revocation of the license upon a showing that the violation was willful or grossly negligent.

I. The following persons or entities may request a hearing to contest an action or proposed action of the Department:

1. A medical marijuana business, research facility or education facility licensee whose license has been summarily suspended or who has received a notice of contemplated action to suspend or revoke a license or take other disciplinary action; and

2. A patient or caregiver licensee whose license has been summarily suspended or who has received notice of contemplated action to suspend or revoke a license or take other disciplinary action.

J. All hearings held pursuant to this section shall be in accordance with the Oklahoma Administrative Procedures Act, Section 250 et seq. of Title 75 of the Oklahoma Statutes.

K. 1. Beginning September 1, 2021, the Oklahoma Medical Marijuana Authority shall schedule on-site meetings and compliance inspections of the premises with the medical marijuana dispensary licensee at the location of the medical marijuana dispensary, the medical marijuana commercial grower at the location of the medical marijuana commercial grower site and the medical marijuana processor at the location of the medical marijuana processing site. The on-site meetings and compliance inspections shall occur within the first one hundred eighty (180) days after issuance of the medical marijuana dispensary license, commercial grower license or processor license and shall be conducted for purposes of verifying whether the medical marijuana business licensee is actively operating or is working towards operational status.

2. If, at the time of the on-site meeting and compliance inspection, the medical marijuana business licensee fails to provide proof to the Authority that the medical marijuana business is actively operating or working towards operational status, the Authority shall grant the medical marijuana business licensee a grace period of one hundred eighty (180) days to become operational. Upon expiration of this grace period, the Authority shall schedule a second on-site meeting and compliance inspection of the premises to verify whether the medical marijuana business licensee has begun operations at the licensed premises or is continuing to work towards operational status.

3. If, after the second on-site meeting and compliance inspection, the medical marijuana business licensee fails to provide proof to the Authority that the medical marijuana business licensee is actively operating or is continuing to work towards operational status, the Authority shall be authorized to grant the medical marijuana business licensee an additional grace period of one hundred eighty (180) days to become operational.

4. Upon expiration of the second grace period, the Authority shall terminate the medical marijuana business license if the medical marijuana business licensee has failed to provide proof to the Authority that the medical marijuana business is actively conducting business operations at the licensed premises.

SECTION 3. This act shall become effective July 1, 2021.

SECTION 4. 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 14th day of May, 2021.

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Presiding Officer of the House  
of Representatives

Passed the Senate the 21st day of April, 2021.

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Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_

Approved by the Governor of the State of Oklahoma this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this \_\_\_\_\_

day of \_\_\_\_\_, 20\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

By: \_\_\_\_\_