

SENATE CHAMBER
STATE OF OKLAHOMA

DISPOSITION

FLOOR AMENDMENT

No. _____

COMMITTEE AMENDMENT

(Date)

Mr./Madame President:

I move to amend House Bill No. 2272, by substituting the attached floor substitute for the title, enacting clause and entire body of the measure.

Submitted by:

Senator Murdock

Murdock-NP-FS-Req#2104
4/19/2021 2:02 PM

(Floor Amendments Only) Date and Time Filed: _____

Untimely

Amendment Cycle Extended

Secondary Amendment

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 FLOOR SUBSTITUTE
4 FOR ENGROSSED
5 HOUSE BILL NO. 2272

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

8 and

9 Murdock, Bergstrom and
10 Bullard of the Senate

11 FLOOR SUBSTITUTE

12 An Act relating to medical marijuana; amending
13 Section 15, Chapter 11, O.S.L. 2019 (63 O.S. Supp.
14 2020, Section 427.15), which relates to disclosing
15 financial interests; requiring an attestation under
16 penalty of perjury for foreign interests in marijuana
17 businesses by certain date; amending Section 6,
18 Chapter 11, O.S.L. 2019, as amended by Section 7,
19 Chapter 477, O.S.L. 2019 (63 O.S. Supp. 2020, Section
20 427.6), which relates to monitoring and disciplinary
21 actions; updating statutory references; modifying
22 language; providing for certain inspections within
23 certain time; providing grace periods to gain
24 compliance; requiring termination of license for
failure to provide proof of business operations
within certain time; providing an effective date; and
declaring an emergency.

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:

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

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

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

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

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

18 2. ~~Inspections~~ Except as otherwise provided by law, inspections
19 shall be limited to twice per calendar year and twenty-four (24)
20 hours of notice shall be provided to a medical marijuana business
21 applicant or licensee prior to an on-site assessment. However,
22 additional inspections may occur when the Oklahoma Medical Marijuana
23 Authority or Department shows that an additional inspection is
24 necessary due to a violation of ~~this act~~ or noncompliance with the

1 Oklahoma Medical Marijuana and Patient Protection Act. Such
2 inspection may be without notice if the Oklahoma Medical Marijuana
3 Authority or Department believes that such notice will result in the
4 destruction of evidence.

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

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

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

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

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

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

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

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

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

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

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

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

21 8. Failure to pay a required monetary penalty;

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

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

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

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

8 G. Penalties for sales by a medical marijuana business to
9 persons other than those allowed by law occurring within any two-
10 year time period may include an initial fine of One Thousand Dollars
11 (\$1,000.00) for a first violation and a fine of Five Thousand
12 Dollars (\$5,000.00) for any subsequent violation. The medical
13 marijuana business may be subject to a revocation of any license
14 granted pursuant to ~~this act~~ the Oklahoma Medical Marijuana and
15 Patient Protection Act upon a showing that the violation was willful
16 or grossly negligent.

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

22 2. The second offense for impermissible diversion of medical
23 marijuana, concentrate, or products by a patient or caregiver to an
24 unauthorized person shall not be punished under a criminal statute

1 but may be subject to a fine of not to exceed Five Hundred Dollars
2 (\$500.00) and may result in revocation of the license upon a showing
3 that the violation was willful or grossly negligent.

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

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

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

14 J. All hearings held pursuant to this section shall be in
15 accordance with the Oklahoma Administrative Procedures Act, Section
16 250 et seq. of Title 75 of the Oklahoma Statutes.

17 K. 1. Beginning September 1, 2021, the Oklahoma Medical
18 Marijuana Authority shall schedule an on-site meeting and compliance
19 inspection of the premises with the medical marijuana dispensary
20 licensee at the location of the medical marijuana dispensary, the
21 medical commercial grower at the location of the medical marijuana
22 commercial grower site and the medical marijuana processor at the
23 location of the medical marijuana processing site. The on-site
24 meeting and compliance inspection shall occur within the first one

1 hundred eighty (180) days after issuance of the medical marijuana
2 dispensary license, commercial grower license or processor license
3 and shall be conducted for purposes of verifying whether the medical
4 marijuana licensee is actively operating or is working towards
5 operational status.

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

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

23 4. Upon expiration of the second grace period, the Authority
24 shall terminate the medical marijuana business license if the

1 medical marijuana licensee has failed to provide proof to the
2 Authority that the medical marijuana dispensary is actively
3 conducting business operations at the licensed premises.

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

5 SECTION 4. It being immediately necessary for the preservation
6 of the public peace, health or safety, an emergency is hereby
7 declared to exist, by reason whereof this act shall take effect and
8 be in full force from and after its passage and approval.

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10 58-1-2104 NP 4/19/2021 2:02:23 PM

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