

SECTION 4

REQUIREMENTS RELATED TO THE OPERATION OF MEDICAL MARIJUANA BUSINESSES

Sec. 12.6.46. Onsite use prohibited:

No marijuana shall be smoked, eaten, or otherwise consumed or ingested within the medical marijuana business.

Sec. 12.6.47. Restriction on access to restricted area:

1. No person, other than a patient, permittee, employee, or a caregiver, shall be in the restricted area. No patient shall be allowed entry into the restricted area without showing a valid Oklahoma Medical Marijuana Patient License and a valid picture ID.

2. No person, other than an employee or caregiver of the business shall be permitted in the restricted area of the business. No access to the restricted area may be permitted by non-Oklahoma residents or for compensation. A log shall be maintained on the business premises and available for inspection upon request by the Mayor or Mayor's designee.

Sec. 12.6.48. Display of permit required:

A valid city issued commercial medical marijuana business permit shall be conspicuously posted in the business.

Sec. 12.6.49. Business conducted within building:

Any and all cultivation, production, distribution, possession, storage, display, sales or other distribution of marijuana shall occur only within the restricted area of a commercial medical marijuana business and shall not be visible from the exterior of the business.

Sec. 12.6.50. Use of pesticides:

No pesticides or insecticides which are prohibited by applicable law for fertilization or production of edible produce shall be used on any marijuana cultivated, produced, or distributed by a medical marijuana business.

Sec. 12.6.51. Ventilation required:

A commercial medical marijuana business shall be ventilated so that the odor of marijuana cannot be detected by a person with a normal sense of smell at the exterior of the medical marijuana business or at any adjoining use or property.

Sec. 12.6.52. Use of metals, butane, propane or other flammable products:

No medical marijuana business may use metals, butane, propane, or other flammable product, or produce flammable vapors, to process marijuana unless the process used and the premises are verified as safe and in compliance with all applicable codes by a qualified industrial hygienist.

The City may require the business to obtain verification from a qualified industrial hygienist that the manner in which the business is producing medical marijuana complies with all applicable laws and does not produce noxious or dangerous gases or odors or otherwise create a danger to any person or entity in or near the businesses.

Sec. 12.6.53. Disposal of medical marijuana and marijuana by products:

All medical marijuana and any product containing a usable form of marijuana must be made unusable and unrecognizable prior to removal from the business in compliance with all applicable laws. This provision shall not apply to licensed law enforcement, including, without limitation, the City of Krebs Police Department and the City of Krebs Fire Department.

Sec. 12.6.54. Delivery between medical marijuana businesses:

It shall be unlawful for any person to transport medical marijuana, except as specifically allowed by applicable law, unless the medical marijuana being transported meets the following requirements:

1. All medical marijuana is transported in a locked container, shielded from public view and labeled "Medical Marijuana or Derivative".
2. Unless otherwise specifically allowed by applicable law, medical marijuana may be transported only between medical marijuana businesses.
3. The medical marijuana must be accompanied by the manifest in accordance with state requirements for transport of marijuana.

Sec. 12.6.55. Advertisement:

A commercial medical marijuana business may not advertise in a manner that is inconsistent with the medicinal use of medical marijuana. A medical marijuana business may not advertise in a manner that is misleading, deceptive, false, or designed to appeal to minors. Advertisement that promotes medical marijuana for recreational or any use other than for medicinal purposes shall be a violation of this code. The following conditions shall apply:

1. Any person permitted as a medical marijuana business shall include in any advertisement for medical marijuana or any medical marijuana-infused product the following language: "For registered Oklahoma medical marijuana patients only." Provided, however, this language shall not be required to be displayed upon any sign identifying a medical marijuana business, as permitted by Subparagraph 2 (b) of this section.
2. Except as otherwise provided in this paragraph, it shall be unlawful for any person permitted under this Article or any other person to advertise any medical marijuana or medical marijuana-infused product anywhere in the City where the advertisement is in plain view of or in a place open to the general public, including advertising utilizing any of the following media: any bill board or other outdoor general advertising device as defined by the zoning code; any sign mounted on a vehicle; any handheld or other portable sign; or any handbill, leaflet, or flier directly handed to any person in a public place, left upon a motor vehicle, or posted upon any public or private property. The prohibition set forth in this paragraph shall not apply to:
 - (a) Any sign located on the same zoned lot as a medical marijuana business which exists solely for the purpose for identifying the location of the medical marijuana business and which otherwise complies with this code and any other applicable City laws and regulations;
 - (b) Any advertisement contained within a newspaper, magazine, or other periodical of general circulation within the City or on the internet, which may include coupons;
 - (c) Any products marked with the name or logo of a marijuana business, including wearable or non-consumable merchandise, packaging in which marijuana is sold, or on medical marijuana accessories sold;
 - (d) Advertising which is purely incidental to sponsorship of a charitable event by a medical marijuana business;

(e) A booth at a job fair or education seminar where the only items distributed are company or education materials, and no other items are distributed, shown or sold;

(f) A booth at an adult event where the only items distributed are company or education materials, and no other items are distributed, shown or sold.

3. It is an affirmative defense if a medical marijuana business employee provided another individual, upon request, a business card for the purpose of providing that person's name and business affiliation, including, without restriction, title, mailing address, email address, and telephone number.

4. No medical marijuana business shall distribute or allow the distribution of any marijuana or products marked with its name or logo without charge within a marijuana business or any place open to the public for the purpose of promotion or advertising except as permitted in subsections 2 (e)(f) of this section.

5. No medical marijuana business shall distribute or allow the distribution of any coupon or similar writing, electronically or on paper, which purports to allow the bearer to exchange the same for any marijuana product, either free or at a discount except as permitted in subsections 2(e)(f) of this section.

Sec. 12.6.56. Organization of cultivation facilities:

All cultivation facilities shall be organized in orderly rows with aisles at least three (3) feet wide, and no more than eight feet between an aisle and the next aisle or an aisle and a wall, and with clear access to all exits, unless the City of Krebs determines that the business has provided a dimensioned floor plan that provides equivalent access and separation between plants and to exits.

Sec. 12.6.57. Reporting of source, quantity, and sales:

The records to be maintained by each medical marijuana business shall include the source and quantity of any marijuana distributed, produced, or possessed within the premises. Such reports shall include, without limitation, for both acquisitions from wholesalers and transactions to patients or caregivers, the following:

1. Oklahoma Medical Marijuana License number of seller or purchaser; and
2. Date, weight, type of marijuana, and dollar amount or other consideration of transaction.

Sec. 12.6.58. Requirements for public health and labeling:

1. The production of any medical marijuana-infused product shall be at a medical marijuana-infused product manufacturer that meets all requirements of a retail food establishment as set forth in 63 O.S. § 1-1101 et seq., 63 O.S. § 1-1401 et seq., OAC 310:257 and OAC 310:240. The production of any product containing medical marijuana shall comply with all health and safety standards thereof. The permittee shall comply with all applicable state and local health regulations related to the production, preparation, labeling, and sale of prepared food items as if the medical marijuana-infused products were food items.

2. All medical marijuana sold or otherwise distributed by the permittee shall be packaged and labeled in a manner that advises the purchaser that it contains marijuana and specifies the amount of marijuana in the product, that the marijuana is intended for medical use solely by the patient to whom it is sold, and that any resale or redistribution of the medical marijuana to a third person is prohibited. In addition, the label shall comply with all applicable requirements of the State of Oklahoma and any other applicable law.

3. The product shall be packaged in a sealed container that cannot be opened without obvious damage to the packaging.

Sec. 12.6.59. Compliance with other applicable law:

Except as may be provided otherwise in the Article, or rules adopted pursuant to this Article or interpretations by the City, any law or regulation adopted by the state governing the cultivation, production, possession, or distribution of marijuana for medical use shall also apply to medical marijuana businesses in the City. Provided however, if a state law or regulation permits what this Article prohibits, this Article shall prevail. Compliance with any applicable state law or regulation that does not permit what this chapter prohibits shall be deemed an additional requirement for issuance or denial of any permit under this Article, and noncompliance with any applicable state law or regulation is unlawful and shall be grounds for revocation or suspension of any permit issued under this Article. No medical marijuana business shall continue operations in violation of an additional within the City after the effective date of the state law or regulation.

Sec. 12.6.60. Revocation of permit upon denial or revocation of state license or applicable federal prohibition:

If the state prohibits the cultivation, production, possession, or other distribution of marijuana through medical marijuana businesses, or if a medical marijuana business is denied a commercial medical marijuana business permit or has such permit revoked, or if a court of competent jurisdiction determines that the federal government's prohibition of the cultivation, production, possession, or other distribution of marijuana through medical marijuana businesses supersedes state law, any permit issued pursuant to this Article shall be deemed to be immediately revoked by operation of law, with no ground for appeal or other redress on behalf of the permittee.

Sec. 12.6.61. Revocable privilege:

A commercial medical marijuana business permit is a revocable privilege, and no applicant therefor or holder thereof shall be deemed to have acquired any property interest therein.

Sec. 12.6.62. Prohibited Acts:

It shall be unlawful for any person to commit any of the following acts unless such act is permitted under the provisions of State Question 788 or the Oklahoma Health Department regulations:

1. Cultivate, distribute, or produce marijuana in plain view of or in a place open to the general public.
2. Smoke, use, or ingest any marijuana on the premises of the commercial medical marijuana business.
3. Operate or be in physical control of any commercial medical marijuana business, liquor establishment, vehicle, aircraft, or motorboat will under the influence of alcohol. Medical marijuana, or other intoxicant.
4. Possess medical marijuana that is not in a sealed package in a location where the possessor is not authorized to possess or consume medical marijuana.
5. Possess more than six (6) mature and six (6) seedling marijuana plants without a commercial medical marijuana business permit for a cultivation facility.
6. Possess any marijuana without a medical marijuana license or a marijuana business permit; further a holder of a medical marijuana license shall not possess mote than tree (3) ounces of marijuana on their person.
7. Possess more than one (1) ounce of concentrated marijuana without a commercial medical marijuana permit for a business or a medical marijuana-infused product manufacturer.
8. Possess more than seventy-two (72) ounces of edible marijuana without a commercial medical marijuana permit for a business or a medical marijuana-infused product manufacturer.
9. Possess more than eight (8) ounces of marijuana in their residence.

10. Obtain marijuana from a person who is not permitted as a commercial medical marijuana business.
11. Possess or operate a commercial medical marijuana business in violation of this chapter.
12. Produce, distribute, or possess more medical marijuana than allowed in this Article than disclosed in the application to the state for a medical marijuana business permit or other applicable law.
13. Distribute medical marijuana without a commercial medical marijuana business permit or outside of the restricted area of the medical marijuana business.
14. Possess medical marijuana, own or manage a medical marijuana business, or own or manage a building with a medical marijuana business, where there is possession of medical marijuana by a person who is not a patient, caregiver, or a permittee of a medical marijuana business.
15. Possess or operate a medical marijuana business in a location or in a manner for which a medical marijuana business permit is prohibited by the terms of this Article.
16. Operate a medical marijuana business without a commercial medical marijuana business permit from the City.
17. Operate a medical marijuana business in a manner that is not consistent with the items disclosed in the application for the medical marijuana business, or is in violation of any plan made part of the permit application.
18. Distribute, or own or manage a medical marijuana business where distribution occurs, from a medical marijuana business, a medical marijuana-infused product that was produced in a manner that is not in compliance with this Article.
19. Cultivate, manufacture, distribute, or possess any medical marijuana at a location without a commercial medical marijuana business permit prior to passing the inspection required by this Article.
20. Make any changes, or for the permittee to allow any changes, to the items included in the plans submitted with the permit application and approved by the City of Krebs, or the individuals identified in the application, without prior approval of the City of Krebs.
21. Attempt to use or display a medical marijuana business permit at a different location or for a different business entity than the location and business entity disclosed on the application for the issued permit.
22. Cultivate, produce, distribute or possess medical marijuana, or own or manage a medical marijuana business in which another cultivates, produces, distributes, or possesses medical marijuana, in violation of this Article or any other applicable law.
23. Own, manage, or possess a medical marijuana business where medical marijuana is outside of the restricted area portion of such business. It shall be an affirmative defense to a violation of this Article if the medical marijuana outside of the restricted area was: (i) in the custody and control of a patient or caregiver; (ii) purchased by that patient or caregiver from the business and the patient or caregiver has not left the business since purchase, and (iii) the amount of medical marijuana in the custody and control of the patient or caregiver does not exceed the amount the patient or caregiver may possess lawfully.
24. Dispose of medical marijuana or any by-product of medical marijuana containing marijuana in a manner contrary to this chapter.
25. Deliver or transport medical marijuana between medical marijuana businesses except in strict compliance with this Article.

26. Advertise or publish materials, honor coupons, sell or give away products, or display signs that are in violation of this code.

27. Violate any provision of this code or any condition of an approval granted pursuant to this code or any law, rule, or regulation applicable to the use of medical marijuana or the operation of a medical marijuana business.

28. Permit any other person to violate any provision of this code or any condition of an approval granted pursuant to this code, or any law, rule, or regulation applicable to the use of medical marijuana or the operation of a medical marijuana business.

29. Lease any property to a medical marijuana business that has marijuana on the property without a medical marijuana business permit that has been issued by the City of Krebs.

30. Label or distribute a marijuana-infused product that is not labeled as required by this code or other applicable law.

31. Distribute or deliver marijuana from a medical marijuana cultivation facility to any other location other than a medical marijuana business.

32. Printing or allowing the printing of a coupon that is not a newspaper, magazine, or other periodical of general circulation within the City or on the internet.

33. Fail to provide a copy or record of a coupon authorized under this Article upon request of an authorized City of Krebs employee.

Sec. 12.6.63. Suspension or revocation of permit; Imposition of fines:

1. A medical marijuana business permit may be suspended or revoked for any of the following violations:

(a) Conviction of the business, a permittee, or any owner, or primary caregiver of any violation of this Article or any other law, rule, or regulation applicable to the use of medical marijuana or operation of a medical marijuana business.

(b) Misrepresentation or omission of any material fact, or false or misleading information, of the application or any amendment thereto, or any other information provided to the City related to the medical marijuana business.

(c) Violation of any law by which, if occurring prior to submittal of the application, could have been cause for denial of the permit application.

(d) Distribution of medical marijuana, including, without limitation, transporting marijuana, in violation of this chapter or any other applicable law, rule, or regulation.

2. In the event a business or permittee is charged with violation of any law, upon which a final judgement would be grounds for suspension or revocation of the permit, the City may suspend the permit, the City may suspend the permit pending the resolution of the alleged violation.

3. Fines for violations of this Article may be imposed by the city against the person or any permittee up to \$500.00 per person and any permittee per occurrence. Any person or permittee subjected to fines, revocation or suspension of its permit shall be entitled to a hearing by the Krebs Municipal Court to contest such penalties.

4. If the City revokes or suspends a permit, the business may not move any marijuana from the premises except under the supervision of the City of Krebs Police Department.

5. In the event of the suspension of a marijuana business permit, during the period of suspension, the business:

(a) Shall post two notices provided by the City of Krebs, in conspicuous places, one on the exterior and one on the interior of its premises for the duration of the suspension; and

(b) Shall not distribute or produce or test or transport marijuana, nor allow any customers into the permitted premises.

Sec. 12.6.64. Term of permit: Renewals, expiration of permit:

1. Term of Permit. A commercial medical marijuana business permit shall be valid for one (1) year. The permit shall expire on the last day of the month in which the permit is issued of the year following issuance or renewal of the permit.

2. Renewal of Permit. The permittee shall apply for renewal of the commercial medical marijuana business permit at least forty-five (45) days before the expiration of the permit. The permittee shall apply for renewal using forms provided by the City of Krebs. If the applicant fails to apply for renewal at least forty-five (45) days before the expiration of the permit but does apply for renewal prior to expiration of the permit, the City of Krebs may process the renewal application if the applicant submits a late filing fee of five hundred dollars (\$500.00) at the time of submittal of the renewal application.

(a) The renewal application fee, and late fee if applicable, shall accompany the renewal application. Once the application is deemed approved by the City of Krebs, the permit fee will be due prior to permit issuance. Such fees are nonrefundable.

(b) In the event there has been a change to any of the plans identified in the permit application which were submitted to and approved by the City of Krebs with the application or an earlier renewal, the renewal application shall include specifics of the changes or proposed changes in any of such plans.

(c) In the event any person who has an interest as described in the disclosures made to the City pursuant to this Article, or any agent as defined herein, or employee has been charged with or accused of violations of any law since such disclosure the renewal application shall include the name of the violator, the date of the violation, the court and case number where the violation was filed, and the disposition of the violation with the renewal application.

(d) In the event the business permit has been suspended or revoked or a permittee has received any notice of violation of any law that would impact renewal, the renewal application shall include a copy of the notice, suspension, or revocation.

(e) The renewal application shall include verification that the business has a valid state license and the state license is in good standing.

(f) The renewal application shall include a summary report for the previous twelve months showing the amount of marijuana purchased, the amount of marijuana sold, the forms in which marijuana was sold, the number of patients and the number of primary caregivers who received marijuana, the police report numbers or case numbers of all police calls to the medical marijuana business and, for calls resulting in a charge of a violation of any law, the charge, case number, and disposition of any of the charges.

(g) The City of Krebs shall not accept renewal applications after the expiration of the permit, but instead shall require the applicant to file a new permit application.

(h) In the event there have been allegations of violations of this code by any of the permittees or the business submitting a renewal application, the city may hold a hearing prior to approving the renewal

application. The hearing shall be to determine whether the application and proposed permittees comply with this Article and whether the operation of the business has been in compliance with this code. If the City does not hold a hearing and the application and the permittees do not meet the requirements of this Article, or the business has been operated in the past in violation of this code, the renewal application may be denied or issued with conditions, and the decision shall be final subject to the Mayor and Hearing officer's review.

(i) Expiration of Permit. Expiration of a commercial medical marijuana business permit for any reason shall be considered an inactive local permit. -

Sec. 12.6.65 through 12.6.80. Reserved.