

05/18/2022 09:17:00 PM

HOUSE OF REPRESENTATIVES
CONFERENCE COMMITTEE REPORT

Mr. President:
Mr. Speaker:

The Conference Committee, to which was referred

HB2179

By: Fetgatter of the House and Garvin of the Senate

Title: Medical marijuana; licensing requirements for medical marijuana commercial growers; fees; emergency.




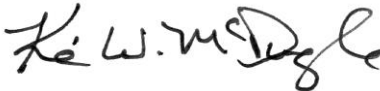


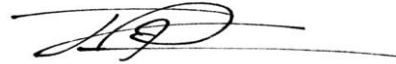
Together with Engrossed Senate Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

1. That the Senate recede from its amendment; and
2. That the attached Conference Committee Substitute be adopted.

Respectfully submitted,

House Action _____ Date _____ Senate Action _____ Date _____

HB2179 CCR (B)
HOUSE CONFEREES

Echols, Jon		Hill, Brian	
Kannady, Chris		McDugle, Kevin	
Osburn, Mike		Pfeiffer, John	
Phillips, Logan		Turner, Mauree	<hr/>
Virgin, Emily	<hr/>	West, Tammy	<hr/>

HB2179 CCR B

SENATE CONFEREES

Garvin

Paxton

Leewright

Taylor

Rosino

Dossett (J.J.)

The image shows six handwritten signatures, each written over a horizontal line. The signatures are: Garvin (top), Paxton, Leewright, Taylor, Rosino, and Dossett (J.J.) (bottom). The signatures are written in black ink and are somewhat stylized.

House Action _____ Date _____ Senate Action _____ Date _____

House Action _____ Date _____ Senate Action _____ Date _____

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 CONFERENCE COMMITTEE
4 SUBSTITUTE
5 FOR ENGROSSED
6 HOUSE BILL NO. 2179

By: Fetgatter and McDugle of
the House

and

Garvin and Stephens of the
Senate

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8
9
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11 CONFERENCE COMMITTEE SUBSTITUTE

12 An Act relating to medical marijuana; amending 63
13 O.S. 2021, Sections 421, 422, and 423, which relate
14 to licensing requirements for medical marijuana
15 dispensaries, commercial growers, and processors;
16 modifying application fee for medical marijuana
17 dispensaries; providing statutory reference for
18 certain application fees; updating language; amending
19 63 O.S. 2021, Section 427.14, which relates to the
20 Oklahoma Medical Marijuana and Patient Protection
21 Act; establishing tiered licensing fees for medical
22 marijuana commercial growers and processors;
23 modifying application fees for medical marijuana
24 dispensaries and laboratories; defining terms;
updating language; and providing an effective date.

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

SECTION 1. AMENDATORY 63 O.S. 2021, Section 421, is
amended to read as follows:

1 Section 421. A. The ~~State Department of Health~~ Oklahoma
2 Medical Marijuana Authority shall, ~~within thirty (30) days of~~
3 ~~passage of this initiative,~~ make available on its website in an
4 easy-to-find location an application for a medical marijuana
5 dispensary license. The application fee to be paid by the applicant
6 shall be ~~Two Thousand Five Hundred Dollars (\$2,500.00)~~ in the
7 amounts provided for in Section 427.14 of this title. A method of
8 payment for the application fee shall be provided on the website of
9 the ~~Department~~ Authority. Dispensary applicants must all be
10 residents of Oklahoma. Any entity applying for a dispensary license
11 must be owned by an Oklahoma resident and must be registered to do
12 business in Oklahoma. The ~~Department~~ Authority shall have ninety
13 (90) business days to review the application; approve, reject or
14 deny the application; and mail the approval, rejection or denial
15 letter stating reasons for the rejection or denial to the applicant.

16 B. The ~~State Department of Health~~ Authority shall approve all
17 applications which meet the following criteria:

18 1. The applicant must be twenty-five (25) years of age or
19 older;

20 2. The applicant, if applying as an individual, must show
21 residency in the State of Oklahoma;

22 3. All applying entities must show that all members, managers,
23 and board members are Oklahoma residents;

24

1 4. An applying entity may show ownership of non-Oklahoma
2 residents, but that percentage ownership may not exceed twenty-five
3 percent (25%);

4 5. All applying individuals or entities must be registered to
5 conduct business in the State of Oklahoma; and

6 6. All applicants must disclose all ownership interests in the
7 dispensary.

8 Applicants with a nonviolent felony conviction in the last two
9 (2) years, any other felony conviction in the last five (5) years,
10 inmates in the custody of the Department of Corrections or any
11 person currently incarcerated shall not qualify for a medical
12 marijuana dispensary license.

13 C. Licensed medical marijuana dispensaries shall be required to
14 complete a monthly sales report to the ~~State Department of Health~~
15 Authority. This report shall be due on the fifteenth of each month
16 and provide reporting on the previous month. This report shall
17 detail the weight of marijuana purchased at wholesale and the weight
18 of marijuana sold to licensed medical marijuana patients and
19 licensed caregivers and account for any waste. The report shall
20 show total sales in dollars, tax collected in dollars, and tax due
21 in dollars. The ~~State Department of Health~~ Authority shall have
22 oversight and auditing responsibilities to ensure that all marijuana
23 being grown is accounted for.

1 D. Only a licensed medical marijuana dispensary may conduct
2 retail sales of marijuana or marijuana derivatives. Beginning on
3 the effective date of this act, licensed medical marijuana
4 dispensaries shall be authorized to package and sell pre-rolled
5 marijuana to licensed medical marijuana patients and licensed
6 caregivers. The products described in this subsection shall contain
7 only the ground parts of the marijuana plant and shall not include
8 marijuana concentrates or derivatives. The total net weight of each
9 pre-roll packaged and sold by a medical marijuana dispensary shall
10 not exceed one (1) gram. These products shall be tested, packaged
11 and labeled in accordance with Oklahoma law and rules promulgated by
12 the ~~State Commissioner of Health~~ Authority.

13 E. No medical marijuana dispensary shall offer or allow a
14 medical marijuana patient licensee, caregiver licensee or other
15 member of the public to handle or otherwise have physical contact
16 with any medical marijuana not contained in a sealed or separate
17 package. Provided, such prohibition shall not preclude an employee
18 of the medical marijuana dispensary from handling loose or
19 nonpackaged medical marijuana to be placed in packaging consistent
20 with the Oklahoma Medical Marijuana and Patient Protection Act and
21 the rules promulgated by the Authority for the packaging of medical
22 marijuana for retail sale. Provided, further, such prohibition
23 shall not prevent a medical marijuana dispensary from displaying
24 samples of its medical marijuana in separate display cases, jars or

1 other containers and allowing medical marijuana patient licensees
2 and caregiver licensees the ability to handle or smell the various
3 samples as long as the sample medical marijuana is used for display
4 purposes only and is not offered for retail sale.

5 SECTION 2. AMENDATORY 63 O.S. 2021, Section 422, is
6 amended to read as follows:

7 Section 422. A. ~~The State Department of Health shall, within~~
8 ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical
9 Marijuana Authority shall make available on its website in an easy-
10 to-find location an application for a medical marijuana commercial
11 grower license. The application fee shall be ~~Two Thousand Five~~
12 ~~Hundred Dollars (\$2,500.00)~~ paid by the applicant in the amounts
13 provided for in Section 427.14 of this title. A method of payment
14 for the application fee shall be provided on the website of the
15 ~~Department~~ Authority. ~~The State Department of Health~~ Authority
16 shall have ninety (90) days to review the application; approve,
17 reject or deny the application; and mail the approval, rejection or
18 denial letter stating the reasons for the rejection or denial to the
19 applicant.

20 B. ~~The State Department of Health~~ Authority shall approve all
21 applications which meet the following criteria:

22 1. The applicant must be twenty-five (25) years of age or
23 older;

24

1 2. The applicant, if applying as an individual, must show
2 residency in the State of Oklahoma;

3 3. All applying entities must show that all members, managers,
4 and board members are Oklahoma residents;

5 4. An applying entity may show ownership of non-Oklahoma
6 residents, but that percentage ownership may not exceed twenty-five
7 percent (25%);

8 5. All applying individuals or entities must be registered to
9 conduct business in the State of Oklahoma; and

10 6. All applicants must disclose all ownership interests in the
11 commercial grower operation.

12 Applicants with a nonviolent felony conviction in the last two
13 (2) years, any other felony conviction in the last five (5) years,
14 inmates in the custody of the Department of Corrections or any
15 person currently incarcerated shall not qualify for a commercial
16 grower license.

17 C. A licensed medical marijuana commercial grower may sell
18 marijuana to a licensed medical marijuana dispensary or a licensed
19 medical marijuana processor. Further, sales by a licensed medical
20 marijuana commercial grower shall be considered wholesale sales and
21 shall not be subject to taxation. Under no circumstances may a
22 licensed medical marijuana commercial grower sell marijuana directly
23 to a licensed medical marijuana patient or licensed medical
24 marijuana caregiver. A licensed medical marijuana commercial grower

1 may only sell at the wholesale level to a licensed medical marijuana
2 dispensary, a licensed medical marijuana commercial grower or a
3 licensed medical marijuana processor. If the federal government
4 lifts restrictions on buying and selling marijuana between states,
5 then a licensed medical marijuana commercial grower would be allowed
6 to sell and buy marijuana wholesale from, or to, an out-of-state
7 wholesale provider. A licensed medical marijuana commercial grower
8 shall be required to complete a monthly yield and sales report to
9 the ~~State Department of Health~~ Authority. This report shall be due
10 on the fifteenth of each month and provide reporting on the previous
11 month. This report shall detail the amount of marijuana harvested
12 in pounds, the amount of drying or dried marijuana on hand, the
13 amount of marijuana sold to licensed processors in pounds, the
14 amount of waste in pounds, and the amount of marijuana sold to
15 licensed medical marijuana dispensaries in pounds. Additionally,
16 this report shall show total wholesale sales in dollars. The ~~State~~
17 ~~Department of Health~~ Authority shall have oversight and auditing
18 responsibilities to ensure that all marijuana being grown by
19 licensed medical marijuana commercial growers is accounted for.

20 D. There shall be no limits on how much marijuana a licensed
21 medical marijuana commercial grower can grow.

22 E. Beginning on the effective date of this act, licensed
23 medical marijuana commercial growers shall be authorized to package
24 and sell pre-rolled marijuana to licensed medical marijuana

1 dispensaries. The products described in this subsection shall
2 contain only the ground parts of the marijuana plant and shall not
3 include marijuana concentrates or derivatives. The total net weight
4 of each pre-roll packaged and sold by licensed medical marijuana
5 commercial growers shall not exceed one (1) gram. These products
6 must be tested, packaged and labeled in accordance with Oklahoma law
7 and rules promulgated by the ~~State Commissioner of Health~~ Authority.

8 SECTION 3. AMENDATORY 63 O.S. 2021, Section 423, is
9 amended to read as follows:

10 Section 423. A. The ~~State Department of Health~~ Oklahoma
11 Medical Marijuana Authority shall, ~~within thirty (30) days of~~
12 ~~passage of this initiative,~~ make available on its website in an
13 easy-to-find location an application for a medical marijuana
14 processing license. The ~~Department~~ Authority shall be authorized to
15 issue two types of medical marijuana processor licenses based on the
16 level of risk posed by the type of processing conducted:

- 17 1. Nonhazardous medical marijuana processor license; and
- 18 2. Hazardous medical marijuana processor license.

19 The application fee for a nonhazardous or hazardous medical
20 marijuana processor license shall be ~~Two Thousand Five Hundred~~
21 ~~Dollars (\$2,500.00)~~ paid by the applicant in the amounts provided
22 for in Section 427.14 of this title. A method of payment shall be
23 provided on the website of the ~~Department~~ Authority. The ~~State~~
24 ~~Department of Health~~ Authority shall have ninety (90) days to review

1 the application; approve, reject or deny the application; and mail
2 the approval, rejection or denial letter stating the reasons for the
3 rejection or denial to the applicant.

4 B. The ~~State Department of Health~~ Authority shall approve all
5 applications which meet the following criteria:

6 1. The applicant must be twenty-five (25) years of age or
7 older;

8 2. The applicant, if applying as an individual, must show
9 residency in the State of Oklahoma;

10 3. All applying entities must show that all members, managers,
11 and board members are Oklahoma residents;

12 4. An applying entity may show ownership of non-Oklahoma
13 residents, but that percentage ownership may not exceed twenty-five
14 percent (25%);

15 5. All applying individuals or entities must be registered to
16 conduct business in the State of Oklahoma; and

17 6. All applicants must disclose all ownership interests in the
18 processing operation.

19 Applicants with a nonviolent felony conviction in the last two
20 (2) years, any other felony conviction in the last five (5) years,
21 inmates in the custody of the Department of Corrections or any
22 person currently incarcerated shall not qualify for a medical
23 marijuana processing license.

24

1 C. 1. A licensed processor may take marijuana plants and
2 distill or process these plants into concentrates, edibles, and
3 other forms for consumption.

4 2. As required by subsection D of this section, the ~~State~~
5 ~~Department of Health Authority~~ shall, ~~within sixty (60) days of~~
6 ~~passage of this initiative,~~ make available a set of standards which
7 shall be used by licensed processors in the preparation of edible
8 marijuana products. The standards should be in line with current
9 food preparation guidelines. No excessive or punitive rules may be
10 established by the ~~State Department of Health Authority~~.

11 3. Up to two times a year, the ~~State Department of Health~~
12 ~~Authority~~ may inspect a processing operation and determine its
13 compliance with the preparation standards. If deficiencies are
14 found, a written report of the deficiency shall be issued to the
15 licensed processor. The licensed processor shall have one (1) month
16 to correct the deficiency or be subject to a fine of Five Hundred
17 Dollars (\$500.00) for each deficiency.

18 4. A licensed processor may sell marijuana products it creates
19 to a licensed dispensary or any other licensed processor. All sales
20 by a licensed processor shall be considered wholesale sales and
21 shall not be subject to taxation.

22 5. Under no circumstances may a licensed processor sell
23 marijuana or any marijuana product directly to a licensed medical
24 marijuana patient or licensed caregiver. However, a licensed

1 processor may process cannabis into a concentrated form for a
2 licensed medical marijuana patient for a fee.

3 6. Licensed processors shall be required to complete a monthly
4 yield and sales report to the ~~State Department of Health~~ Authority.
5 This report shall be due on the fifteenth of each month and shall
6 provide reporting on the previous month. This report shall detail
7 the amount of marijuana and medical marijuana products purchased in
8 pounds, the amount of marijuana cooked or processed in pounds, and
9 the amount of waste in pounds. Additionally, this report shall show
10 total wholesale sales in dollars. The ~~State Department of Health~~
11 Authority shall have oversight and auditing responsibilities to
12 ensure that all marijuana being processed is accounted for.

13 D. The ~~Department~~ Authority shall oversee the inspection and
14 compliance of licensed processors producing products with marijuana
15 as an additive. The ~~State Department of Health~~ Authority shall be
16 compelled to, within thirty (30) days of passage of this initiative,
17 appoint twelve (12) Oklahoma residents to the Medical Marijuana
18 Advisory Council, who are marijuana industry experts, to create a
19 list of food safety standards for processing and handling medical
20 marijuana in Oklahoma. These standards shall be adopted by the
21 ~~Department~~ Authority and the ~~Department~~ Authority may enforce these
22 standards for licensed processors. The ~~Department~~ Authority shall
23 develop a standards review procedure and these standards can be
24 altered by calling another council of twelve (12) Oklahoma marijuana

1 industry experts. A signed letter of twenty operating, licensed
2 processors shall constitute a need for a new council and standards
3 review.

4 E. If it becomes permissible under federal law, marijuana may
5 be moved across state lines.

6 F. Any device used for the processing or consumption of medical
7 marijuana shall be considered legal to be sold, manufactured,
8 distributed and possessed. No merchant, wholesaler, manufacturer or
9 individual may be unduly harassed or prosecuted for selling,
10 manufacturing or possessing marijuana paraphernalia.

11 SECTION 4. AMENDATORY 63 O.S. 2021, Section 427.14, is
12 amended to read as follows:

13 Section 427.14 A. There is hereby created the medical
14 marijuana business license, which shall include the following
15 categories:

- 16 1. Medical marijuana commercial grower;
- 17 2. Medical marijuana processor;
- 18 3. Medical marijuana dispensary;
- 19 4. Medical marijuana transporter; and
- 20 5. Medical marijuana testing laboratory.

21 B. The Oklahoma Medical Marijuana Authority, with the aid of
22 the Office of Management and Enterprise Services, shall develop a
23 website for medical marijuana business applications.

24

1 C. The Authority shall make available on its website in an
2 easy-to-find location, applications for a medical marijuana
3 business.

4 D. 1. The annual, nonrefundable ~~application~~ fee for a medical
5 marijuana ~~business~~ transporter license shall be Two Thousand Five
6 Hundred Dollars (\$2,500.00).

7 2. The initial fee for a medical marijuana commercial grower
8 license shall be calculated based upon the total amount of square
9 feet of canopy or acres the grower estimates will be harvested for
10 the year. The annual, nonrefundable license fee shall be based upon
11 the total amount of square feet of canopy harvested by the grower
12 during the previous twelve (12) months. The amount of the fees
13 shall be determined as follows:

14 a. For an indoor, greenhouse or light deprivation medical
15 marijuana grow facility:

16 (1) Tier 1: Up to ten thousand (10,000) square feet
17 of canopy, the fee shall be Two Thousand Five
18 Hundred Dollars (\$2,500.00),

19 (2) Tier 2: Ten thousand and one (10,001) square
20 feet of canopy to twenty thousand (20,000) square
21 feet of canopy, the fee shall be Five Thousand
22 Dollars (\$5,000.00),

23 (3) Tier 3: Twenty thousand and one (20,001) square
24 feet of canopy to forty thousand (40,000) square

1 feet of canopy, the fee shall be Ten Thousand
2 Dollars (\$10,000.00),

3 (4) Tier 4: Forty thousand and one (40,001) square
4 feet of canopy to sixty thousand (60,000) square
5 feet of canopy, the fee shall be Twenty Thousand
6 Dollars (\$20,000.00),

7 (5) Tier 5: Sixty thousand and one (60,001) square
8 feet of canopy to eighty thousand (80,000) square
9 feet of canopy, the fee shall be Thirty Thousand
10 Dollars (\$30,000.00),

11 (6) Tier 6: Eighty thousand and one (80,001) square
12 feet of canopy to ninety-nine thousand nine
13 hundred and ninety-nine (99,999) square feet of
14 canopy, the fee shall be Forty Thousand Dollars
15 (\$40,000.00), and

16 (7) Tier 7: One hundred thousand (100,000) square
17 feet of canopy and beyond, the fee shall be Fifty
18 Thousand Dollars (\$50,000.00), plus an additional
19 twenty-five cents (\$0.25) per square foot of
20 canopy over one hundred thousand (100,000) square
21 feet.

22 b. For an outdoor medical marijuana grow facility:

- 1 (1) Tier 1: Up to two and one-half (2 1/2) acres,
2 the fee shall be Two Thousand Five Hundred
3 Dollars (\$2,500.00),
- 4 (2) Tier 2: Two and one-half (2 1/2) acres up to
5 five (5) acres, the fee shall be Five Thousand
6 Dollars (\$5,000.00),
- 7 (3) Tier 3: Five (5) acres up to ten (10) acres, the
8 fee shall be Ten Thousand Dollars (\$10,000.00),
- 9 (4) Tier 4: Ten (10) acres up to twenty (20) acres,
10 the fee shall be Twenty Thousand Dollars
11 (\$20,000.00),
- 12 (5) Tier 5: Twenty (20) acres up to thirty (30)
13 acres, the fee shall be Thirty Thousand Dollars
14 (\$30,000.00),
- 15 (6) Tier 6: Thirty (30) acres up to forty (40)
16 acres, the fee shall be Forty Thousand Dollars
17 (\$40,000.00),
- 18 (7) Tier 7: Forty (40) acres up to fifty (50) acres,
19 the fee shall be Fifty Thousand Dollars
20 (\$50,000.00), and
- 21 (8) Tier 8: If the amount of acreage exceeds fifty
22 (50) acres, the fee shall be Fifty Thousand
23 Dollars (\$50,000.00) plus an additional Two
24 Hundred Fifty Dollars (\$250.00) per acre.

1 c. For a medical marijuana commercial grower that has a
2 combination of both indoor and outdoor growing
3 facilities at one location, the medical marijuana
4 commercial grower shall be required to obtain a
5 separate license from the Authority for each type of
6 grow operation and shall be subject to the licensing
7 fees provided for in subparagraphs a and b of this
8 paragraph.

9 d. As used in this paragraph:

10 (1) "canopy" means the total surface area within a
11 cultivation area that is dedicated to the
12 cultivation of flowering marijuana plants. The
13 surface area of the plant canopy must be
14 calculated in square feet and measured and must
15 include all of the area within the boundaries
16 where the cultivation of the flowering marijuana
17 plants occurs. If the surface of the plant
18 canopy consists of noncontiguous areas, each
19 component area must be separated by identifiable
20 boundaries. If a tiered or shelving system is
21 used in the cultivation area, the surface area of
22 each tier or shelf must be included in
23 calculating the area of the plant canopy.
24 Calculation of the area of the plant canopy may

1 not include the areas within the cultivation area
2 that are used to cultivate immature marijuana
3 plants and seedlings, prior to flowering, and
4 that are not used at any time to cultivate mature
5 marijuana plants. If the flowering plants are
6 vertically grown in cylinders, the square footage
7 of the canopy shall be measured by the
8 circumference of the cylinder multiplied by the
9 total length of the cylinder,

10 (2) "greenhouse" means a structure located outdoors
11 that is completely covered by a material that
12 allows a controlled level of light transmission,
13 and

14 (3) "light deprivation" means a structure that has
15 concrete floors and the ability to manipulate
16 natural light.

17 3. The annual nonrefundable license fee for a medical marijuana
18 processor license shall be determined as follows:

19 a. Tier 1: Zero (0) to ten thousand (10,000) pounds of
20 biomass or production or use of up to one hundred
21 (100) liters of cannabis concentrate, the annual fee
22 shall be Two Thousand Five Hundred Dollars
23 (\$2,500.00),

1 b. Tier 2: Ten thousand one (10,001) pounds to fifty
2 thousand (50,000) pounds of biomass or production or
3 use from one hundred one (101) to three hundred fifty
4 (350) liters of cannabis concentrate, the annual fee
5 shall be Five Thousand Dollars (\$5,000.00),

6 c. Tier 3: Fifty thousand one (50,001) pounds to one
7 hundred fifty thousand (150,000) pounds of biomass or
8 production or use from three hundred fifty-one (351)
9 to six hundred fifty (650) liters of cannabis
10 concentrate, the annual fee shall be Ten Thousand
11 Dollars (\$10,000.00),

12 d. Tier 4: One hundred fifty thousand one (150,001)
13 pounds to three hundred thousand (300,000) pounds of
14 biomass or production or use from six hundred fifty-
15 one (651) to one thousand (1,000) liters of cannabis
16 concentrate, the annual fee shall be Fifteen Thousand
17 Dollars (\$15,000.00), and

18 e. Tier 5: More than three hundred thousand one
19 (300,001) pounds of biomass or production or use in
20 excess of one thousand one (1,001) liters of cannabis
21 concentrate, the annual fee shall be Twenty Thousand
22 Dollars (\$20,000.00).

23 For purposes of this paragraph only, if the cannabis concentrate
24 is in non-liquid form, every one thousand (1,000) grams of

1 concentrated marijuana shall be calculated as one (1) liter of
2 cannabis concentrate.

3 4. The initial fee for a medical marijuana dispensary license
4 shall be Two Thousand Five Hundred Dollars (\$2,500.00). The annual,
5 nonrefundable license fee for a medical marijuana dispensary license
6 shall be calculated at ten percent (10%) of the sum of twelve (12)
7 calendar months of the combined annual state sales tax and state
8 excise tax of the dispensary. The minimum fee shall be not less
9 than Two Thousand Five Hundred Dollars (\$2,500.00) and the maximum
10 fee shall not exceed Ten Thousand Dollars (\$10,000.00).

11 5. The annual, nonrefundable license fee for a medical
12 marijuana testing laboratory shall be Twenty Thousand Dollars
13 (\$20,000.00).

14 E. All applicants seeking licensure or licensure renewal as a
15 medical marijuana business shall comply with the following general
16 requirements:

17 1. All applications for licenses and registrations authorized
18 pursuant to this section shall be made upon forms prescribed by the
19 Authority;

20 2. Each application shall identify the city or county in which
21 the applicant seeks to obtain licensure as a medical marijuana
22 business;

23
24

1 3. Applicants shall submit a complete application to the
2 ~~Department~~ Authority before the application may be accepted or
3 considered;

4 4. All applications shall be complete and accurate in every
5 detail;

6 5. All applications shall include all attachments or
7 supplemental information required by the forms supplied by the
8 Authority;

9 6. All applications shall be accompanied by a full remittance
10 for the whole amount of the application fees. Application fees are
11 nonrefundable;

12 7. All applicants shall be approved for licensing review that,
13 at a minimum, meets the following criteria:

- 14 a. twenty-five (25) years of age or older,
- 15 b. if applying as an individual, proof that the applicant
16 is an Oklahoma resident pursuant to paragraph 11 of
17 this subsection,
- 18 c. if applying as an entity, proof that seventy-five
19 percent (75%) of all members, managers, executive
20 officers, partners, board members or any other form of
21 business ownership are Oklahoma residents pursuant to
22 paragraph 11 of this subsection,

23
24

- 1 d. if applying as an individual or entity, proof that the
2 individual or entity is registered to conduct business
3 in the State of Oklahoma,
4 e. disclosure of all ownership interests pursuant to the
5 Oklahoma Medical Marijuana and Patient Protection Act,
6 and
7 f. proof that the medical marijuana business, medical
8 marijuana research facility, medical marijuana
9 education facility and medical marijuana waste
10 disposal facility applicant or licensee has not been
11 convicted of a nonviolent felony in the last two (2)
12 years, or any other felony conviction within the last
13 five (5) years, is not a current inmate in the custody
14 of the Department of Corrections, or currently
15 incarcerated in a jail or corrections facility;

16 8. There shall be no limit to the number of medical marijuana
17 business licenses or categories that an individual or entity can
18 apply for or receive, although each application and each category
19 shall require a separate application and application fee. A
20 commercial grower, processor and dispensary, or any combination
21 thereof, are authorized to share the same address or physical
22 location, subject to the restrictions set forth in the Oklahoma
23 Medical Marijuana and Patient Protection Act;

1 9. All applicants for a medical marijuana business license,
2 research facility license or education facility license authorized
3 by the Oklahoma Medical Marijuana and Patient Protection Act, or for
4 a renewal of such license, shall undergo an Oklahoma criminal
5 history background check conducted by the Oklahoma State Bureau of
6 Investigation (OSBI) within thirty (30) days prior to the
7 application for the license, including:

- 8 a. individual applicants applying on their own behalf,
- 9 b. individuals applying on behalf of an entity,
- 10 c. all principal officers of an entity, and
- 11 d. all owners of an entity as defined by the Oklahoma
12 Medical Marijuana and Patient Protection Act;

13 10. All applicable fees charged by the OSBI are the
14 responsibility of the applicant and shall not be higher than fees
15 charged to any other person or industry for such background checks;

16 11. In order to be considered an Oklahoma resident for purposes
17 of a medical marijuana business application, all applicants shall
18 provide proof of Oklahoma residency for at least two (2) years
19 immediately preceding the date of application or five (5) years of
20 continuous Oklahoma residency during the preceding twenty-five (25)
21 years immediately preceding the date of application. Sufficient
22 documentation of proof of residency shall include a combination of
23 the following:

- 24 a. an unexpired Oklahoma-issued driver license,

- b. an Oklahoma identification card,
- c. a utility bill preceding the date of application, excluding cellular telephone and Internet bills,
- d. a residential property deed to property in the State of Oklahoma, and
- e. a rental agreement preceding the date of application for residential property located in the State of Oklahoma.

Applicants that were issued a medical marijuana business license prior to August 30, 2019, are hereby exempt from the two-year or five-year Oklahoma residence requirement mentioned above;

12. All license applicants shall be required to submit a registration with the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control as provided in Sections 2-302 through 2-304 of this title;

13. All applicants shall establish their identity through submission of a color copy or digital image of one of the following unexpired documents:

- a. front of an Oklahoma driver license,
- b. front of an Oklahoma identification card,
- c. a United States passport or other photo identification issued by the United States government, or

1 d. a tribal identification card approved for
2 identification purposes by the Oklahoma Department of
3 Public Safety; and

4 14. All applicants shall submit an applicant photograph.

5 F. The Authority shall review the medical marijuana business
6 application; approve, reject or deny the application; and mail the
7 approval, rejection, denial or status-update letter to the applicant
8 within ninety (90) business days of receipt of the application.

9 G. 1. The Authority shall review the medical marijuana
10 business applications and conduct all investigations, inspections
11 and interviews before approving the application.

12 2. Approved applicants shall be issued a medical marijuana
13 business license for the specific category applied under, which
14 shall act as proof of their approved status. Rejection and denial
15 letters shall provide a reason for the rejection or denial.
16 Applications may only be rejected or denied based on the applicant
17 not meeting the standards set forth in the provisions of the
18 Oklahoma Medical Marijuana and Patient Protection Act and Sections
19 420 through 426.1 of this title, improper completion of the
20 application, or for a reason provided for in the Oklahoma Medical
21 Marijuana and Patient Protection Act and Sections 420 through 426.1
22 of this title. If an application is rejected for failure to provide
23 required information, the applicant shall have thirty (30) days to
24 submit the required information for reconsideration. No additional

1 application fee shall be charged for such reconsideration. Unless
2 the ~~Department~~ Authority determines otherwise, an application that
3 has been resubmitted but is still incomplete or contains errors that
4 are not clerical or typographical in nature shall be denied.

5 3. Status-update letters shall provide a reason for delay in
6 either approval, rejection or denial should a situation arise in
7 which an application was submitted properly but a delay in
8 processing the application occurred.

9 4. Approval, rejection, denial or status-update letters shall
10 be sent to the applicant in the same method the application was
11 submitted to the ~~Department~~ Authority.

12 H. A license for a medical marijuana business, medical
13 marijuana research facility, medical marijuana education facility or
14 medical marijuana waste disposal facility shall not be issued to or
15 held by:

16 1. A person until all required fees have been paid;

17 2. A person who has been convicted of a nonviolent felony
18 within two (2) years of the date of application, or within five (5)
19 years for any other felony;

20 3. A corporation, if the criminal history of any of its
21 officers, directors or stockholders indicates that the officer,
22 director or stockholder has been convicted of a nonviolent felony
23 within two (2) years of the date of application, or within five (5)
24 years for any other felony;

- 1 4. A person under twenty-five (25) years of age;
- 2 5. A person licensed pursuant to this section who, during a
3 period of licensure, or who, at the time of application, has failed
4 to:
- 5 a. file taxes, interest or penalties due related to a
6 medical marijuana business, or
 - 7 b. pay taxes, interest or penalties due related to a
8 medical marijuana business;
- 9 6. A sheriff, deputy sheriff, police officer or prosecuting
10 officer, or an officer or employee of the Authority or municipality;
- 11 7. A person whose authority to be a caregiver, as defined in
12 Section 427.2 of this title, has been revoked by the ~~Department~~
13 Authority; or
- 14 8. A person who was involved in the management or operations of
15 any medical marijuana business, medical marijuana research facility,
16 medical marijuana education facility or medical marijuana waste
17 disposal facility that, after the initiation of a disciplinary
18 action, has had a medical marijuana license revoked, not renewed, or
19 surrendered during the five (5) years preceding submission of the
20 application and for the following violations:
- 21 a. unlawful sales or purchases,
 - 22 b. any fraudulent acts, falsification of records or
23 misrepresentation to the Authority, medical marijuana
24

1 patient licensees, caregiver licensees or medical
2 marijuana business licensees,

3 c. any grossly inaccurate or fraudulent reporting,

4 d. threatening or harming any medical marijuana patient,
5 caregiver, medical practitioner or employee of the
6 ~~Department~~ Authority,

7 e. knowingly or intentionally refusing to permit the
8 ~~Department~~ Authority access to premises or records,

9 f. using a prohibited, hazardous substance for processing
10 in a residential area,

11 g. criminal acts relating to the operation of a medical
12 marijuana business, or

13 h. any violations that endanger public health and safety
14 or product safety.

15 I. In investigating the qualifications of an applicant or a
16 licensee, the ~~Department~~, Authority and municipalities may have
17 access to criminal history record information furnished by a
18 criminal justice agency subject to any restrictions imposed by such
19 an agency.

20 J. The failure of an applicant or licensee to provide the
21 requested information by the Authority deadline may be grounds for
22 denial of the application.

23 K. All applicants and licensees shall submit information to the
24 ~~Department and~~ Authority in a full, faithful, truthful and fair

1 manner. The ~~Department~~ and Authority may recommend denial of an
2 application where the applicant or licensee made misstatements,
3 omissions, misrepresentations or untruths in the application or in
4 connection with the background investigation of the applicant. This
5 type of conduct may be grounds for administrative action against the
6 applicant or licensee. Typos and scrivener errors shall not be
7 grounds for denial.

8 L. A licensed medical marijuana business premises shall be
9 subject to and responsible for compliance with applicable provisions
10 consistent with the zoning where such business is located as
11 described in the most recent versions of the Oklahoma Uniform
12 Building Code, the International Building Code and the International
13 Fire Code, unless granted an exemption by a municipality or
14 appropriate code enforcement entity.

15 M. All medical marijuana business, medical marijuana research
16 facility, medical marijuana education facility and medical marijuana
17 waste disposal facility licensees shall pay the relevant licensure
18 fees prior to receiving licensure to operate.

19 N. A medical marijuana business, medical marijuana research
20 facility, medical marijuana education facility or medical marijuana
21 waste disposal facility that attempts to renew its license after the
22 expiration date of the license shall pay a late renewal fee in an
23 amount to be determined by the ~~Department~~ Authority to reinstate the
24

1 license. Late renewal fees are nonrefundable. A license that has
2 been expired for more than ninety (90) days shall not be renewed.

3 O. No medical marijuana business, medical marijuana research
4 facility, medical marijuana education facility or medical marijuana
5 waste disposal facility shall possess, sell or transfer medical
6 marijuana or medical marijuana products without a valid, unexpired
7 license issued by the ~~Department~~ Authority.

8 SECTION 5. This act shall become effective June 1, 2023.

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10 58-2-11601 GRS 05/18/22

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