

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2272 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Adopted: \_\_\_\_\_

Amendment submitted by: Josh West

\_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

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

3 PROPOSED COMMITTEE  
4 SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 2272

By: West (Josh)

7  
8 PROPOSED COMMITTEE SUBSTITUTE

9 An Act relating to medical marijuana; creating the  
10 Oklahoma Cap on Medical Marijuana Businesses Act of  
11 2021; directing the Oklahoma Medical Marijuana  
12 Authority to publicly announce caps on certain  
13 medical marijuana business licenses; providing  
14 procedures for determining amount of licenses;  
15 providing application requirements for active medical  
16 marijuana business licenses; providing for the  
17 reduction of medical marijuana dispensary, processor  
18 and commercial grower licenses; prohibiting renewal  
19 of licenses for inactivity; directing the Authority  
20 to promulgate rules and regulations for issuing  
21 medical marijuana business license vouchers under  
22 certain circumstances; directing the Authority to  
23 publicly announce creation of and application  
24 requirements for medical marijuana business license  
vouchers; stating time period for submitting  
applications; authorizing the conversion of medical  
marijuana business license vouchers; providing for  
the termination of vouchers; excluding total number  
of vouchers from license cap requirements;  
establishing fee amounts for applications and  
vouchers; directing transmittal of fees to certain  
fund; providing for the refund of application fee  
under certain circumstances; authorizing the sale or  
transfer of medical marijuana business license  
vouchers; setting fee amount of transfer; requiring  
payment of purchase fee when selling or transferring  
medical marijuana business license vouchers;  
providing procedures for remittance; directing  
transmittal of fees to certain fund; providing

1 procedures for converting medical marijuana business  
2 license vouchers to active medical marijuana business  
3 licenses; establishing certain distance requirement  
4 for dispensary locations; providing for the issuance  
5 of vouchers for eligible applicants; directing the  
6 Authority to promulgate certain rules and regulations  
7 for number-based lottery system; providing for the  
8 issuance of vouchers under certain circumstances;  
9 providing for codification; and declaring an  
10 emergency.

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

12 SECTION 1. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 431 of Title 63, unless there is  
14 created a duplication in numbering, reads as follows:

15 Sections 1 through 4 of this act shall be known and may be cited  
16 as the "Oklahoma Cap on Medical Marijuana Businesses Act of 2021".

17 SECTION 2. NEW LAW A new section of law to be codified  
18 in the Oklahoma Statutes as Section 431.1 of Title 63, unless there  
19 is created a duplication in numbering, reads as follows:

20 A. On July 1, 2021, or fifteen (15) days from the effective  
21 date of this act, the Oklahoma Medical Marijuana Authority shall  
22 announce publicly that the number of medical marijuana dispensary  
23 licenses, medical marijuana processor licenses and medical marijuana  
24 commercial grower licenses authorized in the State of Oklahoma shall  
be capped beginning September 1, 2021.

B. Beginning September 1, 2021, the number of medical marijuana  
dispensary licenses, medical marijuana processor licenses and

1 medical marijuana commercial grower licenses authorized in the State  
2 of Oklahoma shall be capped at the total number of licenses active  
3 in each category as of September 1, 2021, combined with the total  
4 number of applications pending in each category with the Oklahoma  
5 Medical Marijuana Authority which were submitted prior to September  
6 1, 2021. In order to determine the final amount of authorized  
7 medical marijuana dispensary licenses, medical marijuana processor  
8 licenses and medical marijuana commercial grower licenses in this  
9 state, the Authority shall first process all pending applications  
10 for each license category received prior to September 1, 2021, and  
11 add that number to the total number of active licenses in each  
12 category as of September 1, 2021. Applications for a medical  
13 marijuana dispensary license, medical marijuana processor license or  
14 medical marijuana commercial grower license shall not be accepted  
15 beginning September 1, 2021, except as provided in subsection C of  
16 this section.

17 C. All applicants submitting an application for an active  
18 medical marijuana dispensary license, medical marijuana processor  
19 license or medical marijuana commercial grower license, prior to  
20 September 1, 2021, shall meet all requirements to hold a medical  
21 marijuana business license at the time of application. However,  
22 such applicant shall not be required to submit a Certificate of  
23 Compliance prior to submitting an application under the provisions  
24 of this subsection and each applicant shall have one hundred eighty

1 (180) days from the date such license is provisionally approved to  
2 submit a Certificate of Compliance to the Oklahoma Medical Marijuana  
3 Authority. Only upon submission and acceptance by the Authority of  
4 the Certificate of Compliance, and provided the applicant continues  
5 to meet all other requirements provided for in Sections 421 through  
6 423 of Title 63 of the Oklahoma Statutes and the Oklahoma Medical  
7 Marijuana and Patient Protection Act, shall the applicant be awarded  
8 an active business license. In the event an applicant does not  
9 submit a Certificate of Compliance or fails to meet any other  
10 requirements for licensure within one hundred eighty (180) days of  
11 being awarded a license, the license shall automatically terminate  
12 and shall not be extended.

13 SECTION 3. NEW LAW A new section of law to be codified  
14 in the Oklahoma Statutes as Section 431.2 of Title 63, unless there  
15 is created a duplication in numbering, reads as follows:

16 A. 1. Beginning September 1, 2021, the number of medical  
17 marijuana dispensary licensees authorized to operate in the State of  
18 Oklahoma shall be automatically reduced by the number of medical  
19 marijuana dispensary licenses surrendered, canceled or otherwise  
20 terminated, until such time as the total number of active medical  
21 marijuana dispensary licenses is equal in number to two thousand.

22 2. Beginning September 1, 2022, any medical marijuana  
23 dispensary licensee who does not actively use the medical marijuana  
24 dispensary license for a period of eighteen (18) months shall not be

1 authorized to renew the license. For purposes of this subsection,  
2 the active use of a medical marijuana dispensary license shall  
3 require that a dispensary licensee have a minimum of Five Thousand  
4 Dollars (\$5,000.00) per month in gross monthly sales calculated on a  
5 twelve-month rolling average. Gross monthly sales shall be  
6 calculated by taking the total amount of income and subtracting all  
7 discounts and sales and excise tax collected on medical marijuana  
8 and medical marijuana products.

9 3. The Oklahoma Medical Marijuana Authority shall promulgate  
10 rules and regulations whereby, in the event that the total number of  
11 active medical marijuana dispensary licenses authorized in the State  
12 of Oklahoma combined with the total number of convertible business  
13 license vouchers issued in that category falls at or below one  
14 thousand nine hundred in number, the Authority shall, within ninety  
15 (90) days, accept, for a period of thirty (30) days from the date  
16 the application window opens, new applications for a medical  
17 marijuana dispensary business license voucher as provided for in  
18 Section 4 of this act.

19 B. 1. Beginning September 1, 2021, the number of medical  
20 marijuana commercial grower licensees authorized in the State of  
21 Oklahoma shall be automatically reduced by the number of medical  
22 marijuana commercial grower licenses surrendered, canceled or  
23 otherwise terminated, until the total number of active medical  
24

1 marijuana commercial grower licenses is equal in number to or less  
2 than five thousand.

3       2. Beginning September 1, 2022, any medical marijuana  
4 commercial grower licensee who does not actively use the license for  
5 a period of eighteen (18) months shall not be authorized to renew  
6 the license. For purposes of this subsection, active use of a  
7 medical marijuana commercial grower license shall require that a  
8 commercial grower licensee have under cultivation a minimum of fifty  
9 marijuana plants per month, calculated on a twelve-month rolling  
10 average.

11       3. The Oklahoma Medical Marijuana Authority shall promulgate  
12 rules and regulations whereby, in the event that the total number of  
13 active medical marijuana commercial grower licenses authorized in  
14 the State of Oklahoma combined with the total number of convertible  
15 business license vouchers issued in that category falls at or below  
16 four thousand nine hundred in number, the Authority shall, within  
17 ninety (90) days, accept, for a period of thirty (30) days from the  
18 date the application window opens, new applications for a medical  
19 marijuana commercial grower business license voucher as provided for  
20 in Section 4 of this act.

21       C. 1. Beginning September 1, 2021, the number of medical  
22 marijuana processor licensees authorized in the State of Oklahoma  
23 shall be automatically reduced by the number of medical marijuana  
24 processor licenses surrendered, canceled or otherwise terminated,

1 until the total number of active medical marijuana processor  
2 licenses is equal in number to or less than one thousand.

3 2. Beginning September 1, 2022, any medical marijuana processor  
4 licensee who does not actively use the license for a period of  
5 eighteen (18) months shall not be authorized to renew the license.  
6 For purposes of this subsection, active use of a medical marijuana  
7 processor license shall require that a processor licensee have a  
8 minimum of Five Thousand Dollars (\$5,000.00) per month in gross  
9 monthly sales calculated on a twelve-month rolling average. Gross  
10 monthly sales shall be calculated by taking the total amount of  
11 income and subtracting all discounts.

12 3. The Oklahoma Medical Marijuana Authority shall promulgate  
13 rules and regulations whereby, in the event that the total number of  
14 active medical marijuana processor licenses authorized in the State  
15 of Oklahoma combined with the total number of convertible business  
16 license vouchers issued in that category falls at or below nine  
17 hundred in number, the Authority shall, within ninety (90) days,  
18 accept, for a period of thirty (30) days from the date the  
19 application window opens, new applications for a medical marijuana  
20 processor business license voucher as provided for in Section 4 of  
21 this act.

22 SECTION 4. NEW LAW A new section of law to be codified  
23 in the Oklahoma Statutes as Section 431.3 of Title 63, unless there  
24 is created a duplication in numbering, reads as follows:



1       A. On July 1, 2021, or fifteen (15) days from the effective  
2 date of this act, the Oklahoma Medical Marijuana Authority shall  
3 announce publicly the creation of and application process for a  
4 medical marijuana business license voucher. Such announcement shall  
5 include the beginning and ending dates between which the Authority  
6 shall accept applications for a medical marijuana dispensary  
7 business license voucher, medical marijuana processor business  
8 license voucher or medical marijuana commercial grower business  
9 license voucher. The medical marijuana business license voucher  
10 application window shall begin within ninety (90) days after July 1,  
11 2021, or fifteen (15) days from the effective date of this act and  
12 shall be for a period of sixty (60) days.

13       1. The medical marijuana business license voucher shall  
14 authorize the owner to convert, within sixty (60) months from the  
15 date of issuance of the voucher, the medical marijuana business  
16 license voucher to an active medical marijuana business license in  
17 the same category for which the voucher was applied for and issued.  
18 If the medical marijuana business license voucher is not converted  
19 to an active medical marijuana business license or an application to  
20 convert is not submitted within sixty (60) months from the date of  
21 issuance, the voucher shall terminate and shall no longer be  
22 utilized.

23       2. A medical marijuana business license voucher shall not count  
24 against the license caps provided for in Section 3 of this act until

1 such voucher is converted from a medical marijuana business license  
2 voucher to an active medical marijuana business license. In the  
3 event that conversion of a medical marijuana business license  
4 voucher to an active medical marijuana business license causes the  
5 total number of active licenses to exceed the cap in that business  
6 license category, the cap on active medical marijuana business  
7 licenses in that category shall be increased automatically on a  
8 temporary basis to the total number of active medical marijuana  
9 business licenses.

10 3. The application fee for a medical marijuana business license  
11 voucher shall be Two Thousand Five Hundred Dollars (\$2,500.00),  
12 which shall be paid by the applicant at the time the application is  
13 submitted to the Authority. Upon being awarded a medical marijuana  
14 business license voucher, the applicant shall pay a voucher fee of  
15 Ten Thousand Dollars (\$10,000.00), which shall be paid by the  
16 applicant within fifteen (15) days of notice of being awarded the  
17 voucher. All application and voucher fees shall be paid to and  
18 collected by the Oklahoma Medical Marijuana Authority. Fees  
19 collected pursuant to this paragraph shall be transmitted to the  
20 State Treasurer of the State of Oklahoma to be placed to the credit  
21 of the General Revenue Fund of the state.

22 4. In the event that a medical marijuana business license  
23 voucher application is not approved by the Authority due to fewer  
24 vouchers being available than applied for, the application fee

1 submitted by the applicant who was not awarded a medical marijuana  
2 business license voucher shall be refunded to the applicant within  
3 thirty (30) days.

4 5. A medical marijuana business license voucher may be sold or  
5 transferred by its registered owner, once in any calendar year, upon  
6 application to the Authority and upon payment of a transfer fee of  
7 Two Thousand Five Hundred Dollars (\$2,500.00) payable to the  
8 Oklahoma Medical Marijuana Authority. The fee collected pursuant to  
9 this paragraph shall be transmitted to the State Treasurer of the  
10 State of Oklahoma to be placed to the credit of the General Revenue  
11 Fund of the state.

12 6. In addition to the transfer fee provided for in paragraph 5  
13 of this subsection, in the event that a medical marijuana business  
14 license voucher is sold or transferred, the purchaser or transferee  
15 shall pay to the Oklahoma Tax Commission a purchase fee of Twenty-  
16 five Thousand Dollars (\$25,000.00) per sale or transfer. The  
17 purchase fee shall be paid at the time of the sale or transfer. The  
18 due and payable purchase fee shall be remitted by the purchaser or  
19 transferee to the Oklahoma Tax Commission using procedures  
20 prescribed by the Oklahoma Tax Commission. All monies collected  
21 under the provisions of this paragraph shall be transmitted to the  
22 State Treasurer of the State of Oklahoma to be placed to the credit  
23 of the General Revenue Fund of the state.

24

1           7. In order to apply for a medical marijuana business license  
2 voucher or convert a medical marijuana business license voucher to  
3 an active medical marijuana business license in that category, the  
4 applicant shall meet all eligibility and licensing requirements to  
5 hold a medical marijuana business license in that category as  
6 provided in Sections 421 through 423 of Title 63 of the Oklahoma  
7 Statutes and the Oklahoma Medical Marijuana and Patient Protection  
8 Act. However, a medical marijuana business license voucher  
9 applicant shall not be required to provide a Certificate of  
10 Compliance as a prerequisite to application or issuance of a voucher  
11 and shall only provide a Certificate of Compliance if required upon  
12 conversion to an active medical marijuana business license.

13           8. Upon conversion of a medical marijuana business license  
14 voucher to an active medical marijuana business license, the  
15 applicant shall, from the date of said conversion, pay all  
16 application, license and license renewal fees as required of any  
17 active medical marijuana business licensee in that license category.

18           9. A medical marijuana business license voucher for a medical  
19 marijuana dispensary shall not be converted to an active medical  
20 marijuana dispensary license unless the location for the new medical  
21 marijuana dispensary is at least two thousand (2,000) feet from any  
22 existing and active medical marijuana dispensary location at the  
23 time of conversion from the medical marijuana business license  
24 voucher to the active medical marijuana business license.

1 10. Unless an application was submitted prior to September 1,  
2 2021, no medical marijuana business licensee may transfer an  
3 existing medical marijuana dispensary license to a new location  
4 unless such location is at least two thousand (2,000) feet from any  
5 existing and active medical marijuana dispensary.

6 B. Upon completion of the sixty-day application window provided  
7 for in subsection A of this section, all applicants who meet  
8 eligibility and licensing requirements for a medical marijuana  
9 business license voucher and who remit the required fee within  
10 fifteen (15) days of notice of being awarded a voucher shall be  
11 issued a medical marijuana business license voucher for that license  
12 category.

13 C. 1. The Authority shall, within ninety (90) days of the  
14 effective date of this act, promulgate rules and regulations to  
15 govern an impartial, number-based lottery to govern issuance of all  
16 available medical marijuana business license vouchers up to the cap  
17 amount for the specific medical marijuana business license category.

18 2. In the event that a subsequent application window begins  
19 because the number of licenses in a specific category falls below  
20 the amounts set fourth in Section 3 of this act and more  
21 applications are received by the Authority than are available to be  
22 issued within the cap for that medical marijuana business license  
23 category, the Authority shall issue vouchers based on the rules and  
24 regulations promulgated pursuant to paragraph 1 of this subsection.

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

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6       58-1-7274       GRS       01/29/21

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