

SENATE CHAMBER

STATE OF OKLAHOMA

DISPOSITION

FLOOR AMENDMENT

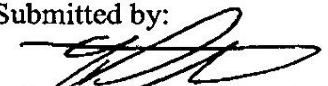
No. 1

COMMITTEE AMENDMENT

(Date)


I move to amend Senate Bill No. 1939, by the attached floor substitute (Request #3644) for the title, enacting clause, and entire body of the measure.

Submitted by:




Senator Paxton

I hereby grant permission for the floor substitute to be adopted.




Senator Coleman, Chair (required)



Senator Thompson (Kristen)



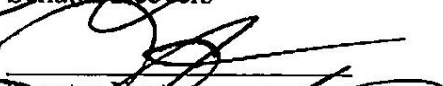
Senator Brooks




Senator Burns



Senator Deever



Senator Haste



Senator Lett



Senator Newhouse



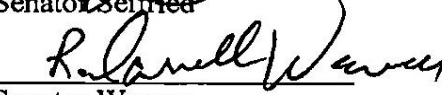
Senator Prieto



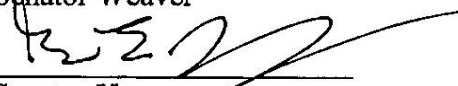
Senator Pugh



Senator Seifried



Senator Weaver



Senator Young

Senator Treat, President Pro Tempore

Senator McCortney, Majority Floor Leader


Note: Business and Commerce committee majority requires seven (7) members' signatures.

Paxton-MR-FA-SB1939

3/11/2024 10:36 AM

(Floor Amendments Only)

Date and Time Filed: 3-12-24

1:14 pm 

Untimely

Amendment Cycle Extended

Secondary Amendment

1 STATE OF OKLAHOMA

2 2nd Session of the 59th Legislature (2024)

3 FLOOR SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1939

By: Paxton of the Senate

and

Echols of the House

6
7
8
9 FLOOR SUBSTITUTE

10 An Act relating to medical marijuana; amending 63
11 O.S. 2021, Section 427.14, as last amended by Section
12 7, Chapter 322, O.S.L. 2023 (63 O.S. Supp. 2023,
13 Section 427.14), which relates to medical marijuana
14 business license; prohibiting individuals from having
15 multiple licenses with exception of certain
16 businesses; setting fee for expired medical marijuana
17 business licenses; specifying time frame for renewal
18 of medical marijuana business licenses; prohibiting
19 possession, sale, or transfer of medical marijuana
20 following expiration of license; prescribing penalty
21 for violation; updating statutory language; requiring
22 written approval for transfer; permitting certain
23 approval under certain circumstances; requiring
24 documentation to be submitted; prohibiting denial of
application under certain circumstances; requiring
certain inventory to be taken prior to approval;
prohibiting transfer without approval; specifying
time frame for transfer of medical marijuana
products; denying licensure under certain
circumstances; allowing for prospective owner to be
an employee of current owner; prescribing fee;
allowing for application refund under certain
circumstances; providing for promulgation of rules;
providing for codification; and providing an
effective date.

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

2 SECTION 1. AMENDATORY 63 O.S. 2021, Section 427.14, as
3 last amended by Section 7, Chapter 322, O.S.L. 2023 (63 O.S. Supp.
4 2023, Section 427.14), is amended to read as follows:

5 Section 427.14. A. There is hereby created the medical
6 marijuana business license, which shall include the following
7 categories:

- 8 1. Medical marijuana commercial grower;
- 9 2. Medical marijuana processor;
- 10 3. Medical marijuana dispensary;
- 11 4. Medical marijuana transporter; and
- 12 5. Medical marijuana testing laboratory.

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

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

19 D. 1. The annual, nonrefundable fee for a medical marijuana
20 transporter license shall be Two Thousand Five Hundred Dollars
21 (\$2,500.00).

22 2. The initial, nonrefundable fee for a medical marijuana
23 commercial grower license shall be calculated based upon the total
24 amount of square feet of canopy or acres the grower estimates will

1 be harvested, transferred, or sold for the year. The annual,
2 nonrefundable license fee shall be based upon the total amount of
3 square feet of canopy or acres harvested, transferred, or sold by
4 the grower during the previous twelve (12) months. The amount of
5 the fees shall be determined as follows:

6 a. For an indoor, greenhouse, or light deprivation
7 medical marijuana grow facility:

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

11 (2) Tier 2: Ten thousand one (10,001) square feet of
12 canopy to twenty thousand (20,000) square feet of
13 canopy, the fee shall be Five Thousand Dollars
14 (\$5,000.00),

15 (3) Tier 3: Twenty thousand one (20,001) square feet
16 of canopy to forty thousand (40,000) square feet
17 of canopy, the fee shall be Ten Thousand Dollars
18 (\$10,000.00),

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

23 (5) Tier 5: Sixty thousand one (60,001) square feet
24 of canopy to eighty thousand (80,000) square feet

1 of canopy, the fee shall be Thirty Thousand
2 Dollars (\$30,000.00),

3 (6) Tier 6: Eighty thousand one (80,001) square feet
4 of canopy to ninety-nine thousand nine hundred
5 ninety-nine (99,999) square feet of canopy, the
6 fee shall be Forty Thousand Dollars (\$40,000.00),
7 and

8 (7) Tier 7: One hundred thousand (100,000) square
9 feet of canopy and beyond, the fee shall be Fifty
10 Thousand Dollars (\$50,000.00), plus an additional
11 twenty-five cents (\$0.25) per square foot of
12 canopy over one hundred thousand (100,000) square
13 feet.

14 b. For an outdoor medical marijuana grow facility:

15 (1) Tier 1: Less than two and one-half (2 1/2)
16 acres, the fee shall be Two Thousand Five Hundred
17 Dollars (\$2,500.00),

18 (2) Tier 2: More than two and one-half (2 1/2) acres
19 up to five (5) acres, the fee shall be Five
20 Thousand Dollars (\$5,000.00),

21 (3) Tier 3: More than five (5) acres up to ten (10)
22 acres, the fee shall be Ten Thousand Dollars
23 (\$10,000.00),
24

- 1 (4) Tier 4: More than ten (10) acres up to twenty
2 (20) acres, the fee shall be Twenty Thousand
3 Dollars (\$20,000.00),
4 (5) Tier 5: More than twenty (20) acres up to thirty
5 (30) acres, the fee shall be Thirty Thousand
6 Dollars (\$30,000.00),
7 (6) Tier 6: More than thirty (30) acres up to forty
8 (40) acres, the fee shall be Forty Thousand
9 Dollars (\$40,000.00),
10 (7) Tier 7: More than forty (40) acres up to fifty
11 (50) acres, the fee shall be Fifty Thousand
12 Dollars (\$50,000.00), and
13 (8) Tier 8: If the amount of acreage exceeds fifty
14 (50) acres, the fee shall be Fifty Thousand
15 Dollars (\$50,000.00) plus an additional Two
16 Hundred Fifty Dollars (\$250.00) per acre.

17 c. For a medical marijuana commercial grower that has a
18 combination of both indoor and outdoor growing
19 facilities at one location, the medical marijuana
20 commercial grower shall be required to obtain a
21 separate license from the Authority for each type of
22 grow operation and shall be subject to the licensing
23 fees provided for in subparagraphs a and b of this
24 paragraph.

1 d. As used in this paragraph:

2 (1) "canopy" means the total surface area within a
3 cultivation area that is dedicated to the
4 cultivation of flowering marijuana plants. The
5 surface area of the plant canopy must be
6 calculated in square feet and measured and must
7 include all of the area within the boundaries
8 where the cultivation of the flowering marijuana
9 plants occurs. If the surface of the plant
10 canopy consists of noncontiguous areas, each
11 component area must be separated by identifiable
12 boundaries. If a tiered or shelving system is
13 used in the cultivation area, the surface area of
14 each tier or shelf must be included in
15 calculating the area of the plant canopy.
16 Calculation of the area of the plant canopy may
17 not include the areas within the cultivation area
18 that are used to cultivate immature marijuana
19 plants and seedlings, prior to flowering, and
20 that are not used at any time to cultivate mature
21 marijuana plants. If the flowering plants are
22 vertically grown in cylinders, the square footage
23 of the canopy shall be measured by the
24

1 circumference of the cylinder multiplied by the
2 total length of the cylinder,

3 (2) "greenhouse" means a structure located outdoors
4 that is completely covered by a material that
5 allows a controlled level of light transmission,
6 and

7 (3) "light deprivation" means a structure that has
8 concrete floors and the ability to manipulate
9 natural light.

10 3. The initial, nonrefundable fee for a medical marijuana
11 processor license shall be Two Thousand Five Hundred Dollars
12 (\$2,500.00). The annual, nonrefundable license fee for a medical
13 marijuana processor license shall be determined based on the
14 previous twelve (12) months as follows:

15 a. Tier 1: The transfer or sale of zero (0) to ten
16 thousand (10,000) pounds of biomass or the production,
17 transfer, or sale of up to one hundred (100) liters of
18 cannabis concentrate, whichever is greater, the annual
19 fee shall be Two Thousand Five Hundred Dollars
20 (\$2,500.00),

21 b. Tier 2: The transfer or sale of ten thousand one
22 (10,001) pounds to fifty thousand (50,000) pounds of
23 biomass or the production, transfer, or sale of one
24 hundred one (101) to three hundred fifty (350) liters

1 of cannabis concentrate, whichever is greater, the
2 annual fee shall be Five Thousand Dollars (\$5,000.00),

3 c. Tier 3: The transfer or sale of fifty thousand one
4 (50,001) pounds to one hundred fifty thousand
5 (150,000) pounds of biomass or the production,
6 transfer, or sale of three hundred fifty-one (351) to
7 six hundred fifty (650) liters of cannabis
8 concentrate, whichever is greater, the annual fee
9 shall be Ten Thousand Dollars (\$10,000.00),

10 d. Tier 4: The transfer or sale of one hundred fifty
11 thousand one (150,001) pounds to three hundred
12 thousand (300,000) pounds of biomass or the
13 production, transfer, or sale of six hundred fifty-one
14 (651) to one thousand (1,000) liters of cannabis
15 concentrate, whichever is greater, the annual fee
16 shall be Fifteen Thousand Dollars (\$15,000.00), and

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

23 For purposes of this paragraph only, if the cannabis concentrate
24 is in nonliquid 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, nonrefundable fee for a medical marijuana
4 dispensary license shall be Two Thousand Five Hundred Dollars
5 (\$2,500.00). The annual, nonrefundable license fee for a medical
6 marijuana dispensary license shall be calculated at ten percent
7 (10%) of the sum of twelve (12) calendar months of the combined
8 annual state sales tax and state excise tax of the dispensary during
9 the previous twelve (12) months. The minimum fee shall be not less
10 than Two Thousand Five Hundred Dollars (\$2,500.00) and the maximum
11 fee shall not exceed Ten Thousand Dollars (\$10,000.00).

12 5. The annual, nonrefundable license fee for a medical
13 marijuana testing laboratory shall be Twenty Thousand Dollars
14 (\$20,000.00).

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

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

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

24

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

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

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

8 6. All applications for a transporter license, initial
9 dispensary license, initial processor license, or laboratory license
10 shall be accompanied by a full remittance for the whole amount of
11 the license fee as set forth in subsection D of this section. All
12 submissions of grower applications, renewal processor applications,
13 and renewal dispensary applications shall be accompanied by a
14 remittance of a fee of Two Thousand Five Hundred Dollars
15 (\$2,500.00). The Authority shall invoice license applicants, if
16 applicable, for any additional licensing fees owed pursuant to
17 subsection D of this section prior to approval of a license
18 application. License fees are nonrefundable;

19 7. All applicants shall be approved for licensing review that,
20 at a minimum, meet the following criteria:

- 21 a. twenty-five (25) years of age or older,
- 22 b. if applying as an individual, proof that the applicant
23 is an Oklahoma resident pursuant to paragraph 11 of
24 this subsection,

- 1 c. if applying as an entity, proof that seventy-five
2 percent (75%) of all members, managers, executive
3 officers, partners, board members or any other form of
4 business ownership are Oklahoma residents pursuant to
5 paragraph 11 of this subsection,
- 6 d. if applying as an individual or entity, proof that the
7 individual or entity is registered to conduct business
8 in this state,
- 9 e. disclosure of all ownership interests pursuant to the
10 Oklahoma Medical Marijuana and Patient Protection Act,
11 and
- 12 f. proof that the medical marijuana business, medical
13 marijuana research facility, medical marijuana
14 education facility and medical marijuana waste
15 disposal facility applicant or licensee has not been
16 convicted of a nonviolent felony in the last two (2)
17 years, or any other felony conviction within the last
18 five (5) years, is not a current inmate in the custody
19 of the Department of Corrections, or currently
20 incarcerated in a jail or corrections facility.

21 Upon reasonable suspicion that a medical marijuana business licensee
22 is illegally growing, processing, transferring, selling, disposing,
23 or diverting marijuana, the Authority, the Oklahoma State Bureau of
24 Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of

1 Investigation (OSBI), or the Attorney General may subpoena documents
2 necessary to establish the personal identifying information of all
3 owners and individuals with any ownership interest in the business;

4 8. There shall be no limit to the number of medical marijuana
5 business licenses or categories that an individual or entity can
6 apply for or receive, although each application and each category
7 shall require a separate application, application fee, or license
8 fee. A commercial grower, processor and dispensary, or any
9 combination thereof, are authorized to share the same address or
10 physical location, subject to the restrictions set forth in the
11 Oklahoma Medical Marijuana and Patient Protection Act;

12 9. No medical marijuana business premises is permitted to have
13 multiple licenses of the same type pursuant to the licensing
14 requirements of this section, excluding the following:

- 15 a. a commercial grower with a combination of an indoor or
16 outdoor growing facility on one parcel of land,
- 17 b. a licensed medical marijuana processor used by
18 multiple licensees, and
- 19 c. a licensed medical marijuana business that has an
20 approved application by the Authority while the new
21 business seeks registration from the Oklahoma State
22 Bureau of Narcotics and Dangerous Drugs Control
23 pursuant to Section 2 of this act;

24

1 10. 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 a national fingerprint-
5 based 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.~~ 11. 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.~~ 12. In order to be considered an Oklahoma resident for
17 purposes of a medical marijuana business application, all applicants
18 shall 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 this state, and
- e. a rental agreement preceding the date of application for residential property located in this state.

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.~~ 13. 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.~~ 14. 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
- d. a tribal identification card approved for identification purposes by the Department of Public Safety; ~~and~~

1 ~~14.~~ 15. All applicants shall submit an applicant photograph;
2 and

3 16. All applicants for a medical marijuana business license
4 seeking to operate a commercial growing operation shall file along
5 with their application a bond as prescribed by Section 427.26 of
6 this title.

7 F. The Authority shall review the medical marijuana business
8 application; approve, reject, or deny the application; and send the
9 approval, rejection, denial, or status-update letter to the
10 applicant in the same method the application was submitted to the
11 Authority within ninety (90) business days of receipt of the
12 application.

13 G. 1. The Authority shall review the medical marijuana
14 business applications, conduct all investigations, inspections, and
15 interviews, and collect all license and application fees before
16 approving the application.

17 2. Approved applicants shall be issued a medical marijuana
18 business license for the specific category applied under, which
19 shall act as proof of their approved status. Rejection and denial
20 letters shall provide a reason for the rejection or denial.
21 Applications may only be rejected or denied based on the applicant
22 not meeting the standards set forth in the provisions of the
23 Oklahoma Medical Marijuana and Patient Protection Act and Sections
24 420 through 426.1 of this title, improper completion of the

1 application, unpaid license or application fees, or for a reason
2 provided for in the Oklahoma Medical Marijuana and Patient
3 Protection Act and Sections 420 through 426.1 of this title. If an
4 application is rejected for failure to provide required information,
5 the applicant shall have thirty (30) days to submit the required
6 information for reconsideration. Unless the Authority determines
7 otherwise, an application that has been resubmitted but is still
8 incomplete or contains errors that are not clerical or typographical
9 in nature shall be denied.

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

14 4. Approval, rejection, denial or status-update letters shall
15 be sent to the applicant in the same method the application was
16 submitted to the Authority.

17 H. A license for a medical marijuana business, medical
18 marijuana research facility, medical marijuana education facility or
19 medical marijuana waste disposal facility shall not be issued to or
20 held by:

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

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

6 4. A person under twenty-five (25) years of age;

7 5. A person licensed pursuant to this section who, during a
8 period of licensure, or who, at the time of application, has failed
9 to:

10 a. file taxes, interest or penalties due related to a
11 medical marijuana business, or

12 b. pay taxes, interest or penalties due related to a
13 medical marijuana business;

14 6. A sheriff, deputy sheriff, police officer or prosecuting
15 officer, or an officer or employee of the Authority or municipality;

16 7. A person whose authority to be a caregiver, as defined in
17 Section 427.2 of this title, has been revoked by the Authority; or

18 8. A person who was involved in the management or operations of
19 any medical marijuana business, medical marijuana research facility,
20 medical marijuana education facility or medical marijuana waste
21 disposal facility that, after the initiation of a disciplinary
22 action, has had a medical marijuana license revoked, not renewed, or
23 surrendered during the five (5) years preceding submission of the
24 application and for the following violations:

- 1 a. unlawful sales or purchases,
- 2 b. any fraudulent acts, falsification of records or
- 3 misrepresentation to the Authority, medical marijuana
- 4 patient licensees, caregiver licensees or medical
- 5 marijuana business licensees,
- 6 c. any grossly inaccurate or fraudulent reporting,
- 7 d. threatening or harming any medical marijuana patient,
- 8 caregiver, medical practitioner or employee of the
- 9 Authority,
- 10 e. knowingly or intentionally refusing to permit the
- 11 Authority access to premises or records,
- 12 f. using a prohibited, hazardous substance for processing
- 13 in a residential area,
- 14 g. criminal acts relating to the operation of a medical
- 15 marijuana business, or
- 16 h. any violations that endanger public health and safety
- 17 or product safety.

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

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

1 K. All applicants and licensees shall submit information to the
2 Authority in a full, faithful, truthful and fair manner. The
3 Authority may recommend denial of an application where the applicant
4 or licensee made misstatements, omissions, misrepresentations or
5 untruths in the application or in connection with the background
6 investigation of the applicant. This type of conduct may be grounds
7 for administrative action against the applicant or licensee. Typos
8 and scrivener errors shall not be grounds for denial.

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

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

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

1 Five Hundred Dollars (\$500.00) per day that the license is expired.
2 Late renewal fees are nonrefundable. A license that has been
3 expired for more than ~~ninety (90)~~ thirty (30) days shall not be
4 renewed. Only license renewal applications submitted at least
5 ninety (90) calendar days prior to the expiration date shall be
6 considered timely submitted and subject to the provisions of
7 subsection F of this section. A medical marijuana business license
8 shall remain unexpired during the pendency of the application for
9 renewal provided that such application was timely submitted.

10 O. ~~No medical marijuana business, medical marijuana research~~
11 ~~facility, medical marijuana education facility or medical marijuana~~
12 ~~waste disposal facility shall possess, sell or transfer medical~~
13 ~~marijuana or medical marijuana products without a valid, unexpired~~
14 ~~license issued by the Authority~~ Immediately upon expiration of a
15 license, any medical marijuana business, medical marijuana research
16 facility, medical marijuana education facility, or medical marijuana
17 waste disposal facility shall cease all possession, transfer, or
18 sale of medical marijuana or medical marijuana products. Any
19 continued possession, sale, or transfer shall subject the business
20 owners and operators to felony prosecution pursuant to the Uniform
21 Controlled Dangerous Substances Act.

22 P. ~~No more than one medical marijuana commercial grower license~~
23 ~~shall be issued for any one property~~ A medical marijuana business
24 license holder shall require all individuals employed under his or

1 her license to be issued a credential pursuant to the provisions of
2 Section 427.14b of this title prior to employment.

3 Q. The Executive Director of the Authority may promulgate rules
4 to implement the provisions of this section including, but not
5 limited to, required application materials to be submitted by the
6 applicant and utilized by the Authority to determine medical
7 marijuana business licensing fees pursuant to this section.

8 SECTION 2. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 427.14c of Title 63, unless
10 there is created a duplication in numbering, reads as follows:

11 A. After the effective date of this act, no medical marijuana
12 business shall be transferred without written approval of an
13 application by the Oklahoma Medical Marijuana Authority.

14 B. A licensee intending to transfer ownership of a medical
15 marijuana business shall submit an application to the Authority.
16 Upon approval by the Authority, the applicant shall submit all
17 necessary documentation to the Oklahoma State Bureau of Narcotics
18 and Dangerous Drugs Control (OBND) consistent with an application
19 for a registration pursuant to the Uniform Controlled Dangerous
20 Substances Act and rules promulgated by OBND, including the
21 approved application issued by the Authority. The medical marijuana
22 business license and the OBND registration of the original owner
23 shall terminate fifteen (15) business days after issuance of the new
24 OBND registration. Upon approval of the new registration by OBND,

1 the prior owner and new owner shall effectuate the transfer of
2 medical marijuana products utilizing the state authorized seed-to-
3 sale tracking system within fifteen (15) business days.

4 C. Nothing in this section shall prevent the Authority from
5 denying an application, or the OBNDD from denying an application to
6 register pursuant to the laws and rules of this state. Application
7 or registration denial shall not affect the existing licensee and
8 registrant. The existing licensee and registrant shall be required
9 to submit timely and sufficient renewal applications for the
10 business to continue to operate during the pendency of any business
11 transfer.

12 D. Nothing in this section shall authorize any new owner to
13 take possession of medical marijuana, medical marijuana concentrate,
14 or medical marijuana product or exercise control over any activities
15 involving the medical marijuana business unless and until the
16 application has been approved by the Authority and the new ownership
17 is registered with OBNDD.

18 E. Nothing in this section shall prohibit the prospective new
19 owners from being employed by the current owner during the transfer
20 process so long as the prospective new owner holds all proper
21 employee credentials in accordance with Section 427.14b of Title 63
22 of the Oklahoma Statutes.

23 F. The new medical marijuana business owner shall provide the
24 Authority with a detailed inventory of any and all items enumerated

1 in the Oklahoma Medical Marijuana and Patient Protection Act
2 including, but not limited to, all seeds, plant tissue, clones,
3 plants, usable medical marijuana or trim, leaves, and other plant
4 matter, batches of extract, medical marijuana, medical marijuana
5 concentrate, and medical marijuana products upon taking control of
6 the business.

7 G. Any attempt to transfer a medical marijuana business,
8 medical marijuana, medical marijuana concentrate, or medical
9 marijuana products of a medical marijuana business without approval
10 from the Authority shall be grounds for revocation or nonrenewal of
11 the license and denial, revocation, or nonrenewal of current or
12 future licenses or license applications with ownership held by any
13 such person involved in the unlawful transfer.

14 H. The application fee shall be the annual license or
15 application fee established under Section 427.14 of Title 63 of the
16 Oklahoma Statutes for medical marijuana business license types.

17 I. Any medical marijuana business with a pending application to
18 transfer a business license on the effective date of this act shall
19 have thirty (30) days from the effective date of this act to submit
20 a new application pursuant to this section. The Authority shall
21 refund the application fee to any applicant with a pending
22 application to transfer upon receipt of the new application.

23 J. The Authority shall promulgate rules necessary for the
24 approval and denial of transfers of medical marijuana businesses.

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SECTION 3. This act shall become effective November 1, 2024.

59-2-3644 MR 3/12/2024 1:25:29 PM