

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1939

By: Paxton

AS INTRODUCED

An Act relating to medical marijuana; amending 63 O.S. 2021, Section 427.14, as last amended by Section 7, Chapter 322, O.S.L. 2023 (63 O.S. Supp. 2023, Section 427.14), which relates to medical marijuana business license; requiring certain documentation of real estate exchange; prohibiting individuals from having multiple licenses with exception of certain businesses; setting fee for expired medical marijuana business licenses; specifying timeframe for renewal of medical marijuana business licenses; prohibiting possession, sale, or transfer of medical marijuana following expiration of license; prescribing penalty for violation; updating statutory language; requiring written approval for transfer; defining term; permitting certain approval under certain circumstances; requiring documentation to be submitted; denying certain approval for certain circumstances; requiring certain inventory to be taken prior to approval; prohibiting transfer without approval; prescribing transfer fee; providing for promulgation of rules; denying licensure under certain circumstances; prohibiting multiple transfers; providing for codification; providing an effective date; and declaring an emergency.

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

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

1 Section 427.14. A. There is hereby created the medical
2 marijuana business license, which shall include the following
3 categories:

- 4 1. Medical marijuana commercial grower;
- 5 2. Medical marijuana processor;
- 6 3. Medical marijuana dispensary;
- 7 4. Medical marijuana transporter; and
- 8 5. Medical marijuana testing laboratory.

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

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

15 D. 1. The annual, nonrefundable fee for a medical marijuana
16 transporter license shall be Two Thousand Five Hundred Dollars
17 (\$2,500.00).

18 2. The initial, nonrefundable fee for a medical marijuana
19 commercial grower license shall be calculated based upon the total
20 amount of square feet of canopy or acres the grower estimates will
21 be harvested, transferred, or sold for the year. The annual,
22 nonrefundable license fee shall be based upon the total amount of
23 square feet of canopy or acres harvested, transferred, or sold by
24

1 the grower during the previous twelve (12) months. The amount of
2 the fees shall be determined as follows:

3 a. For an indoor, greenhouse, or light deprivation
4 medical marijuana grow facility:

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

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

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

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

20 (5) Tier 5: Sixty thousand one (60,001) square feet
21 of canopy to eighty thousand (80,000) square feet
22 of canopy, the fee shall be Thirty Thousand
23 Dollars (\$30,000.00),
24
25

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

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

12 b. For an outdoor medical marijuana grow facility:

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

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

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

22 (4) Tier 4: More than ten (10) acres up to twenty
23 (20) acres, the fee shall be Twenty Thousand
24 Dollars (\$20,000.00),
25

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

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

22 d. As used in this paragraph:

- 23 (1) "canopy" means the total surface area within a
24 cultivation area that is dedicated to the
25

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

- 23 (2) "greenhouse" means a structure located outdoors
24 that is completely covered by a material that
25

1 allows a controlled level of light transmission,
2 and

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

6 3. The initial, nonrefundable fee for a medical marijuana
7 processor license shall be Two Thousand Five Hundred Dollars
8 (\$2,500.00). The annual, nonrefundable license fee for a medical
9 marijuana processor license shall be determined based on the
10 previous twelve (12) months as follows:

- 11 a. Tier 1: The transfer or sale of zero (0) to ten
12 thousand (10,000) pounds of biomass or the production,
13 transfer, or sale of up to one hundred (100) liters of
14 cannabis concentrate, whichever is greater, the annual
15 fee shall be Two Thousand Five Hundred Dollars
16 (\$2,500.00),
- 17 b. Tier 2: The transfer or sale of ten thousand one
18 (10,001) pounds to fifty thousand (50,000) pounds of
19 biomass or the production, transfer, or sale of one
20 hundred one (101) to three hundred fifty (350) liters
21 of cannabis concentrate, whichever is greater, the
22 annual fee shall be Five Thousand Dollars (\$5,000.00),
- 23 c. Tier 3: The transfer or sale of fifty thousand one
24 (50,001) pounds to one hundred fifty thousand

1 (150,000) pounds of biomass or the production,
2 transfer, or sale of three hundred fifty-one (351) to
3 six hundred fifty (650) liters of cannabis
4 concentrate, whichever is greater, the annual fee
5 shall be Ten Thousand Dollars (\$10,000.00),

- 6 d. Tier 4: The transfer or sale of one hundred fifty
7 thousand one (150,001) pounds to three hundred
8 thousand (300,000) pounds of biomass or the
9 production, transfer, or sale of six hundred fifty-one
10 (651) to one thousand (1,000) liters of cannabis
11 concentrate, whichever is greater, the annual fee
12 shall be Fifteen Thousand Dollars (\$15,000.00), and
13 e. Tier 5: The transfer or sale of more than three
14 hundred thousand one (300,001) pounds of biomass or
15 the production, transfer, or sale in excess of one
16 thousand one (1,001) liters of cannabis concentrate,
17 the annual fee shall be Twenty Thousand Dollars
18 (\$20,000.00).

19 For purposes of this paragraph only, if the cannabis concentrate
20 is in nonliquid form, every one thousand (1,000) grams of
21 concentrated marijuana shall be calculated as one (1) liter of
22 cannabis concentrate.

23 4. The initial, nonrefundable fee for a medical marijuana
24 dispensary license shall be Two Thousand Five Hundred Dollars
25

1 (\$2,500.00). The annual, nonrefundable license fee for a medical
2 marijuana dispensary license shall be calculated at ten percent
3 (10%) of the sum of twelve (12) calendar months of the combined
4 annual state sales tax and state excise tax of the dispensary during
5 the previous twelve (12) months. The minimum fee shall be not less
6 than Two Thousand Five Hundred Dollars (\$2,500.00) and the maximum
7 fee shall not exceed Ten Thousand Dollars (\$10,000.00).

8 5. The annual, nonrefundable license fee for a medical
9 marijuana testing laboratory shall be Twenty Thousand Dollars
10 (\$20,000.00).

11 E. All applicants seeking licensure or licensure renewal as a
12 medical marijuana business shall comply with the following general
13 requirements:

14 1. All applications for licenses and registrations authorized
15 pursuant to this section shall be made upon forms prescribed by the
16 Authority;

17 2. Each application shall identify the city or county in which
18 the applicant seeks to obtain licensure as a medical marijuana
19 business;

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

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

1 5. All applications shall include all attachments or
2 supplemental information required by the forms supplied by the
3 Authority;

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

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

- 17 a. twenty-five (25) years of age or older,
- 18 b. if applying as an individual, proof that the applicant
19 is an Oklahoma resident pursuant to paragraph 11 of
20 this subsection,
- 21 c. if applying as an entity, proof that seventy-five
22 percent (75%) of all members, managers, executive
23 officers, partners, board members or any other form of
24

1 business ownership are Oklahoma residents pursuant to
2 paragraph 11 of this subsection,

3 d. if applying as an individual or entity, proof that the
4 individual or entity is registered to conduct business
5 in this state,

6 e. disclosure of all ownership interests pursuant to the
7 Oklahoma Medical Marijuana and Patient Protection Act,
8 and

9 f. proof that the medical marijuana business, medical
10 marijuana research facility, medical marijuana
11 education facility and medical marijuana waste
12 disposal facility applicant or licensee has not been
13 convicted of a nonviolent felony in the last two (2)
14 years, or any other felony conviction within the last
15 five (5) years, is not a current inmate in the custody
16 of the Department of Corrections, or currently
17 incarcerated in a jail or corrections facility, and

18 g. proof that the applicant has a possessory right to the
19 real estate where the business shall operate by
20 submission of a copy of an executed deed of conveyance
21 or assigned leased for the property.

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

1 Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of
2 Investigation, or the Attorney General may subpoena documents
3 necessary to establish the personal identifying information of all
4 owners and individuals with any ownership interest in the business;

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

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

- 16 a. a commercial grower with a combination of an indoor or
17 outdoor growing facility on one parcel of land, and
- 18 b. a licensed medical marijuana processor used by
19 multiple licensees;

20 10. All applicants for a medical marijuana business license,
21 research facility license or education facility license authorized
22 by the Oklahoma Medical Marijuana and Patient Protection Act, or for
23 a renewal of such license, shall undergo a national fingerprint-
24 based background check conducted by the Oklahoma State Bureau of

1 Investigation (OSBI) within thirty (30) days prior to the
2 application for the license, including:

- 3 a. individual applicants applying on their own behalf,
- 4 b. individuals applying on behalf of an entity,
- 5 c. all principal officers of an entity, and
- 6 d. all owners of an entity as defined by the Oklahoma
7 Medical Marijuana and Patient Protection Act;

8 ~~10.~~ 11. All applicable fees charged by the OSBI are the
9 responsibility of the applicant and shall not be higher than fees
10 charged to any other person or industry for such background checks;

11 ~~11.~~ 12. In order to be considered an Oklahoma resident for
12 purposes of a medical marijuana business application, all applicants
13 shall provide proof of Oklahoma residency for at least two (2) years
14 immediately preceding the date of application or five (5) years of
15 continuous Oklahoma residency during the preceding twenty-five (25)
16 years immediately preceding the date of application. Sufficient
17 documentation of proof of residency shall include a combination of
18 the following:

- 19 a. an unexpired Oklahoma-issued driver license,
- 20 b. an Oklahoma identification card,
- 21 c. a utility bill preceding the date of application,
22 excluding cellular telephone and Internet bills,
- 23 d. a residential property deed to property in this state,
24 and

1 e. a rental agreement preceding the date of application
2 for residential property located in this state.

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

6 ~~12.~~ 13. All license applicants shall be required to submit a
7 registration with the Oklahoma State Bureau of Narcotics and
8 Dangerous Drugs Control as provided in Sections 2-302 through 2-304
9 of this title;

10 ~~13.~~ 14. All applicants shall establish their identity through
11 submission of a color copy or digital image of one of the following
12 unexpired documents:

- 13 a. front of an Oklahoma driver license,
- 14 b. front of an Oklahoma identification card,
- 15 c. a United States passport or other photo identification
16 issued by the United States government, or
- 17 d. a tribal identification card approved for
18 identification purposes by the Department of Public
19 Safety; and

20 ~~14.~~ 15. All applicants shall submit an applicant photograph;
21 and

22 16. All applicants for a medical marijuana business license
23 seeking to operate a commercial growing operation shall file along
24

1 with their application a bond as prescribed by Section 427.26 of
2 this title.

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

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

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

1 the applicant shall have thirty (30) days to submit the required
2 information for reconsideration. Unless the Authority determines
3 otherwise, an application that has been resubmitted but is still
4 incomplete or contains errors that are not clerical or typographical
5 in nature shall be denied.

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

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

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

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

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

21 3. A corporation, if the criminal history of any of its
22 officers, directors or stockholders indicates that the officer,
23 director or stockholder has been convicted of a nonviolent felony
24

1 within two (2) years of the date of application, or within five (5)
2 years for any other felony;

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

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

7 a. file taxes, interest or penalties due related to a
8 medical marijuana business, or

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

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

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

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

22 a. unlawful sales or purchases,

23 b. any fraudulent acts, falsification of records or
24 misrepresentation to the Authority, medical marijuana
25

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 Authority,

7 e. knowingly or intentionally refusing to permit the
8 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 Authority and municipalities may have access to
17 criminal history record information furnished by a criminal justice
18 agency subject to any restrictions imposed by such an agency.

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

22 K. All applicants and licensees shall submit information to the
23 Authority in a full, faithful, truthful and fair manner. The
24 Authority may recommend denial of an application where the applicant

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

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

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

17 N. A medical marijuana business, medical marijuana research
18 facility, medical marijuana education facility or medical marijuana
19 waste disposal facility that attempts to renew its license after the
20 expiration date of the license shall pay a late renewal fee ~~in an~~
21 ~~amount to be determined by the Authority to reinstate the license of~~
22 Five Hundred Dollars (\$500.00) per day that the license is expired.

23 Late renewal fees are nonrefundable. A license that has been
24 expired for more than ~~ninety (90)~~ thirty (30) days shall not be

1 renewed. Only license renewals submitted at least ninety (90)
2 calendar days prior to the expiration date shall be considered
3 timely submitted and subject to the provisions of subsection F of
4 this section. A medical marijuana business license shall remain
5 unexpired during the pendency of the application for renewal
6 provided that such application was timely submitted.

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

19 P. ~~No more than one medical marijuana commercial grower license~~
20 ~~shall be issued for any one property~~ A medical marijuana business
21 license holder shall require all individuals employed under his or
22 her license to be issued a credential pursuant to the provisions of
23 Section 427.14b of this title prior to employment.

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

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

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

13 B. For purposes of this act, the "application to transfer"
14 shall include all information disclosing the ownership, the date of
15 transfer, and other documentary requirements required of a new
16 medical marijuana business license application to be submitted on
17 behalf of the new owners of the license including, but not limited
18 to, a detailed inventory of all seeds, plant tissue, clones, plants,
19 usable medical marijuana or trim, leaves, and other plant matter,
20 batches of extract, and medical marijuana concentrates that are to
21 be transferred. The inventory provided shall serve as the final
22 inventory of the previous owners.

23 C. Prior to approving an application to transfer ownership of a
24 medical marijuana business license, the Authority shall issue a

1 conditional approval. The applicant shall submit all necessary
2 documentation to the Oklahoma State Bureau of Narcotics and
3 Dangerous Drugs Control (OBNDD) consistent with an application for a
4 registration pursuant to the Uniform Controlled Dangerous Substances
5 Act and rules promulgated by OBNDD pursuant to the Uniform
6 Controlled Dangerous Substances Act, including the conditional
7 approval issued by the Authority. After the OBNDD has completed the
8 review of the application for registration and found no deficiencies
9 that would prevent an approval of the application, the OBNDDC shall
10 notify the Authority. Within fifteen (15) business days of
11 receiving notification from OBNDD, the Authority shall finally
12 approve the business transfer and the OBNDD shall approve the
13 registration.

14 D. Any conditional approval issued by the Authority shall be
15 deemed revoked if the applicant is denied registration from OBNDD.
16 Any conditional approval from the Authority shall not allow the
17 medical marijuana business license applicant to possess, sell, or
18 transfer medical marijuana or medical marijuana products.

19 E. Nothing in this section shall prevent the Authority from
20 denying a business transfer, or the OBNDD from denying an
21 application to register pursuant to the laws and rules of this
22 state.

23 F. The new medical marijuana business owner shall provide the
24 Authority with a detailed inventory of all seeds, plant tissue,
25

1 clones, plants, usable medical marijuana or trim, leaves, and other
2 plant matter, batches of extract, and medical marijuana concentrates
3 upon taking control of the business.

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

13 H. The application fee for the application transfer shall be
14 Five Hundred Dollars (\$500.00). The medical marijuana business
15 license shall expire on the original expiration date regardless of
16 the date of transfer.

17 I. The Authority shall promulgate the rules necessary for the
18 approval and denial of transfers of medical marijuana business
19 licenses. Transfer shall not be allowed for any licensee who is
20 under investigation or pending disciplinary action by the Authority
21 or any other law enforcement agency. No medical marijuana business
22 license shall be transferred more than once a calendar year.

23 SECTION 3. This act shall become effective July 1, 2024.
24
25

1 SECTION 4. 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.

5
6 59-2-2644 MR 1/18/2024 12:15:29 PM

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25