

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.

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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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