

1 STATE OF OKLAHOMA

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

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

By: Fetgatter and McDugle of  
the House

and

7 Garvin and Stephens of the  
8 Senate

9  
10  
11 CONFERENCE COMMITTEE SUBSTITUTE

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

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

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

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

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

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

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

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

24

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

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

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

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

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

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

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

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

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

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

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

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

24

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

24

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24

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

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

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

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

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

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

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

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

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

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

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

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

22           b. For an outdoor medical marijuana grow facility:

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

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

9        d. As used in this paragraph:

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23  
24

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

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

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

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

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

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

23  
24

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

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

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

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

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

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

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

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

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

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

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

- 19           a.    front of an Oklahoma driver license,
- 20           b.    front of an Oklahoma identification card,
- 21           c.    a United States passport or other photo identification
- 22                issued by the United States government, or
- 23
- 24

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

4 14. All applicants shall submit an applicant photograph.

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

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

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



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

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

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

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

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

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

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

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

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

3 c. any grossly inaccurate or fraudulent reporting,

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

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

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

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

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

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

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

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

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

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

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

19 N. A medical marijuana business, medical marijuana research  
20 facility, medical marijuana education facility or medical marijuana  
21 waste disposal facility that attempts to renew its license after the  
22 expiration date of the license shall pay a late renewal fee in an  
23 amount to be determined by the ~~Department~~ Authority to reinstate the  
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1 license. Late renewal fees are nonrefundable. A license that has  
2 been expired for more than ninety (90) days shall not be renewed.

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

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

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