

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1247

By: Burns

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5
6 AS INTRODUCED

7 An Act relating to medical marijuana; amending 63
8 O.S. 2021, Sections 426.1, as amended by Section 6,
9 Chapter 251, O.S.L. 2022 and 427.14, as last amended
10 by Section 7, Chapter 322, O.S.L. 2023 (63 O.S. Supp.
11 2023, Sections 426.1 and 427.14), which relate to
license revocation and medical marijuana business
license; requiring certain information be submitted
and posted for licensure; and providing an effective
date.

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

15 SECTION 1. AMENDATORY 63 O.S. 2021, Section 426.1, as
16 amended by Section 6, Chapter 251, O.S.L. 2022 (63 O.S. Supp. 2023,
17 Section 426.1), is amended to read as follows:

18 Section 426.1. A. All licensure revocation hearings conducted
19 pursuant to marijuana licenses established in the Oklahoma Statutes
20 shall be recorded. A party may request a copy of the recording of
21 the proceedings. Copies shall be provided to local law enforcement
22 if the revocation was based on alleged criminal activity.

23 B. The Oklahoma Medical Marijuana Authority shall assist any
24 law enforcement officer in the performance of his or her duties upon

1 such request by the law enforcement officer or the request of other
2 local officials having jurisdiction. Except for license information
3 concerning licensed patients, as defined in Section 427.2 of this
4 title, the Authority shall share information with law enforcement
5 agencies upon request without a subpoena or search warrant.

6 C. The Authority shall make available all information on
7 whether ~~or not~~ a medical marijuana patient or caregiver license is
8 valid to law enforcement electronically through an online
9 verification system.

10 D. The Authority shall make available to state agencies and
11 political subdivisions a list of marijuana-licensed premises,
12 medical marijuana businesses or any other premises where marijuana
13 or its by-products are licensed to be cultivated, grown, processed,
14 stored or manufactured to aid state agencies and county and
15 municipal governments in identifying locations within their
16 jurisdiction and ensuring compliance with applicable laws, rules and
17 regulations.

18 E. Any marijuana-licensed premises, medical marijuana business,
19 or premises seeking medical marijuana licensure prior to
20 construction, or any other premises where marijuana or its by-
21 products are required to be licensed to be cultivated, grown,
22 processed, stored or manufactured shall submit with its application
23 or request to change location, after notifying the political
24 subdivision of its intent, a certificate of compliance listing each

1 building trade contractor license number or the employee information
2 for exempted employees performing work otherwise requiring a trade
3 license from the political subdivision where the facility of the
4 applicant or licensee is to be located certifying compliance with
5 zoning classifications, applicable municipal ordinances and all
6 applicable safety, electrical, fire, plumbing, waste, construction
7 and building specification codes, including the applicable codes of
8 the Oklahoma Uniform Building Code Commission, for which the
9 Authority may enforce compliance and also has the authority to
10 enforce relevant state laws governing building standards and partner
11 with other state or public subdivision agencies to conduct and
12 coordinate inspections and enforcement on licensing, building codes,
13 and applicable state laws.

14 Once a certificate of compliance has been submitted to the
15 Oklahoma Medical Marijuana Authority showing full compliance as
16 outlined in this subsection, no additional certificate of compliance
17 shall be required for license renewal unless a change of use or
18 occupancy occurs, or there is any change concerning the facility or
19 location that would, by law, require additional inspection,
20 licensure or permitting by the state or municipality.

21 SECTION 2. AMENDATORY 63 O.S. 2021, Section 427.14, as
22 last amended by Section 7, Chapter 322, O.S.L. 2023 (63 O.S. Supp.
23 2023, Section 427.14), is amended to read as follows:

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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
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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

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),

- 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

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

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

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;

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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
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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.

18 Upon reasonable suspicion that a medical marijuana business licensee
19 is illegally growing, processing, transferring, selling, disposing,
20 or diverting marijuana, the Authority, the Oklahoma State Bureau of
21 Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of
22 Investigation (OSBI), or the Attorney General may subpoena documents
23 necessary to establish the personal identifying information of all
24 owners and individuals with any ownership interest in the business;

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

9 9. All applicants for a medical marijuana business license,
10 research facility license or education facility license authorized
11 by the Oklahoma Medical Marijuana and Patient Protection Act, or for
12 a renewal of such license, shall undergo a national fingerprint-
13 based background check conducted by the Oklahoma State Bureau of
14 Investigation ~~(OSBI)~~ within thirty (30) days prior to the
15 application for the license, including:

- 16 a. individual applicants applying on their own behalf,
- 17 b. individuals applying on behalf of an entity,
- 18 c. all principal officers of an entity, and
- 19 d. all owners of an entity as defined by the Oklahoma
20 Medical Marijuana and Patient Protection Act;

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

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1 11. In order to be considered an Oklahoma resident for purposes
2 of a medical marijuana business application, all applicants shall
3 provide proof of Oklahoma residency for at least two (2) years
4 immediately preceding the date of application or five (5) years of
5 continuous Oklahoma residency during the preceding twenty-five (25)
6 years immediately preceding the date of application. Sufficient
7 documentation of proof of residency shall include a combination of
8 the following:

- 9 a. an unexpired Oklahoma-issued driver license,
- 10 b. an Oklahoma identification card,
- 11 c. a utility bill preceding the date of application,
12 excluding cellular telephone and Internet bills,
- 13 d. a residential property deed to property in this state,
14 and
- 15 e. a rental agreement preceding the date of application
16 for residential property located in this state.

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

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

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1 13. All applicants shall establish their identity through
2 submission of a color copy or digital image of one of the following
3 unexpired documents:

- 4 a. front of an Oklahoma driver license,
- 5 b. front of an Oklahoma identification card,
- 6 c. a United States passport or other photo identification
7 issued by the United States government, or
- 8 d. a tribal identification card approved for
9 identification purposes by the Department of Public
10 Safety; and

11 14. All applicants shall submit an applicant photograph; and

12 15. All applicants, prior to commencement of the construction
13 of a licensed premises, shall post at the entrance of each building
14 site, in an unobstructed view, a legible signage displaying the name
15 of the trade contractor and all applicable Oklahoma license and
16 registration numbers for each contractor installing, modifying, or
17 altering any plumbing, electrical, mechanical, or roofing system or,
18 if claiming an employee exemption from licensing for electrical or
19 mechanical work as may be allowed by the political subdivision, the
20 contact information of the medical marijuana business licensee or
21 applicant or, if not applicable, the contact information of the
22 responsible party who has the authority and knowledge to provide
23 verified employee employment information.

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

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

11 2. Approved applicants shall be issued a medical marijuana
12 business license for the specific category applied under, which
13 shall act as proof of their approved status. Rejection and denial
14 letters shall provide a reason for the rejection or denial.
15 Applications may only be rejected or denied based on the applicant
16 not meeting the standards set forth in the provisions of the
17 Oklahoma Medical Marijuana and Patient Protection Act and Sections
18 420 through 426.1 of this title, improper completion of the
19 application, unpaid license or application fees, or for a reason
20 provided for in the Oklahoma Medical Marijuana and Patient
21 Protection Act and Sections 420 through 426.1 of this title. If an
22 application is rejected for failure to provide required information,
23 the applicant shall have thirty (30) days to submit the required
24 information for reconsideration. Unless the Authority determines

1 otherwise, an application that has been resubmitted but is still
2 incomplete or contains errors that are not clerical or typographical
3 in nature shall be denied.

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

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

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

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

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

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

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

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

4 a. file taxes, interest or penalties due related to a
5 medical marijuana business, or

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

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

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

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

19 a. unlawful sales or purchases,

20 b. any fraudulent acts, falsification of records or
21 misrepresentation to the Authority, medical marijuana
22 patient licensees, caregiver licensees or medical
23 marijuana business licensees,

24 c. any grossly inaccurate or fraudulent reporting,

- d. threatening or harming any medical marijuana patient, caregiver, medical practitioner or employee of the Authority,
- e. knowingly or intentionally refusing to permit the Authority access to premises or records,
- f. using a prohibited, hazardous substance for processing in a residential area,
- g. criminal acts relating to the operation of a medical marijuana business, or
- h. any violations that endanger public health and safety or product safety.

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

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

K. All applicants and licensees shall submit information to the Authority in a full, faithful, truthful and fair manner. The Authority may recommend denial of an application where the applicant or licensee made misstatements, omissions, misrepresentations or untruths in the application or in connection with the background investigation of the applicant. This type of conduct may be grounds

1 for administrative action against the applicant or licensee. Typos
2 and scrivener errors shall not be grounds for denial.

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

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

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

21 O. No medical marijuana business, medical marijuana research
22 facility, medical marijuana education facility or medical marijuana
23 waste disposal facility shall possess, sell or transfer medical
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1 marijuana or medical marijuana products without a valid, unexpired
2 license issued by the Authority.

3 P. No more than one medical marijuana commercial grower license
4 shall be issued for any one property.

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

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

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