

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

SENATE BILL 1286

By: Bullard

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 licenses; establishing an annual surcharge; directing deposit of surcharge into certain funds; and providing an effective date.

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:

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

1. Medical marijuana commercial grower;
2. Medical marijuana processor;
3. Medical marijuana dispensary;
4. Medical marijuana transporter; and

1 5. Medical marijuana testing laboratory.

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

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

8 D. 1. The annual, nonrefundable fee for a medical marijuana  
9 transporter license shall be Two Thousand Five Hundred Dollars  
10 (\$2,500.00).

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

19 a. For an indoor, greenhouse, or light deprivation  
20 medical marijuana grow facility:

21 (1) Tier 1: Up to ten thousand (10,000) square feet  
22 of canopy, the fee shall be Two Thousand Five  
23 Hundred Dollars (\$2,500.00),  
24

- 1 (2) Tier 2: Ten thousand one (10,001) square feet of  
2 canopy to twenty thousand (20,000) square feet of  
3 canopy, the fee shall be Five Thousand Dollars  
4 (\$5,000.00),
- 5 (3) Tier 3: Twenty thousand one (20,001) square feet  
6 of canopy to forty thousand (40,000) square feet  
7 of canopy, the fee shall be Ten Thousand Dollars  
8 (\$10,000.00),
- 9 (4) Tier 4: Forty thousand one (40,001) square feet  
10 of canopy to sixty thousand (60,000) square feet  
11 of canopy, the fee shall be Twenty Thousand  
12 Dollars (\$20,000.00),
- 13 (5) Tier 5: Sixty thousand one (60,001) square feet  
14 of canopy to eighty thousand (80,000) square feet  
15 of canopy, the fee shall be Thirty Thousand  
16 Dollars (\$30,000.00),
- 17 (6) Tier 6: Eighty thousand one (80,001) square feet  
18 of canopy to ninety-nine thousand nine hundred  
19 ninety-nine (99,999) square feet of canopy, the  
20 fee shall be Forty Thousand Dollars (\$40,000.00),  
21 and
- 22 (7) Tier 7: One hundred thousand (100,000) square  
23 feet of canopy and beyond, the fee shall be Fifty  
24 Thousand Dollars (\$50,000.00), plus an additional  
25

1                   twenty-five cents (\$0.25) per square foot of  
2                   canopy over one hundred thousand (100,000) square  
3                   feet.

4           b.   For an outdoor medical marijuana grow facility:

- 5                   (1)   Tier 1:   Less than two and one-half (2 1/2)  
6                   acres, the fee shall be Two Thousand Five Hundred  
7                   Dollars (\$2,500.00),
- 8                   (2)   Tier 2:   More than two and one-half (2 1/2) acres  
9                   up to five (5) acres, the fee shall be Five  
10                  Thousand Dollars (\$5,000.00),
- 11                  (3)   Tier 3:   More than five (5) acres up to ten (10)  
12                  acres, the fee shall be Ten Thousand Dollars  
13                  (\$10,000.00),
- 14                  (4)   Tier 4:   More than ten (10) acres up to twenty  
15                  (20) acres, the fee shall be Twenty Thousand  
16                  Dollars (\$20,000.00),
- 17                  (5)   Tier 5:   More than twenty (20) acres up to thirty  
18                  (30) acres, the fee shall be Thirty Thousand  
19                  Dollars (\$30,000.00),
- 20                  (6)   Tier 6:   More than thirty (30) acres up to forty  
21                  (40) acres, the fee shall be Forty Thousand  
22                  Dollars (\$40,000.00),
- 23  
24  
25

1 (7) Tier 7: More than forty (40) acres up to fifty  
2 (50) acres, the fee shall be Fifty Thousand  
3 Dollars (\$50,000.00), and

4 (8) Tier 8: If the amount of acreage exceeds fifty  
5 (50) acres, the fee shall be Fifty Thousand  
6 Dollars (\$50,000.00) plus an additional Two  
7 Hundred Fifty Dollars (\$250.00) per acre.

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

16 d. As used in this paragraph:

17 (1) "canopy" means the total surface area within a  
18 cultivation area that is dedicated to the  
19 cultivation of flowering marijuana plants. The  
20 surface area of the plant canopy must be  
21 calculated in square feet and measured and must  
22 include all of the area within the boundaries  
23 where the cultivation of the flowering marijuana  
24 plants occurs. If the surface of the plant

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

17 (2) "greenhouse" means a structure located outdoors  
18 that is completely covered by a material that  
19 allows a controlled level of light transmission,  
20 and

21 (3) "light deprivation" means a structure that has  
22 concrete floors and the ability to manipulate  
23 natural light.  
24

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

6           a. Tier 1: The transfer or sale of zero (0) to ten  
7 thousand (10,000) pounds of biomass or the production,  
8 transfer, or sale of up to one hundred (100) liters of  
9 cannabis concentrate, whichever is greater, the annual  
10 fee shall be Two Thousand Five Hundred Dollars  
11 (\$2,500.00),

12           b. Tier 2: The transfer or sale of ten thousand one  
13 (10,001) pounds to fifty thousand (50,000) pounds of  
14 biomass or the production, transfer, or sale of one  
15 hundred one (101) to three hundred fifty (350) liters  
16 of cannabis concentrate, whichever is greater, the  
17 annual fee shall be Five Thousand Dollars (\$5,000.00),

18           c. Tier 3: The transfer or sale of fifty thousand one  
19 (50,001) pounds to one hundred fifty thousand  
20 (150,000) pounds of biomass or the production,  
21 transfer, or sale of three hundred fifty-one (351) to  
22 six hundred fifty (650) liters of cannabis  
23 concentrate, whichever is greater, the annual fee  
24 shall be Ten Thousand Dollars (\$10,000.00),

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

14           For purposes of this paragraph only, if the cannabis concentrate  
15           is in nonliquid form, every one thousand (1,000) grams of  
16           concentrated marijuana shall be calculated as one (1) liter of  
17           cannabis concentrate.

18           4. The initial, nonrefundable fee for a medical marijuana  
19           dispensary license shall be Two Thousand Five Hundred Dollars  
20           (\$2,500.00). The annual, nonrefundable license fee for a medical  
21           marijuana dispensary license shall be calculated at ten percent  
22           (10%) of the sum of twelve (12) calendar months of the combined  
23           annual state sales tax and state excise tax of the dispensary during  
24           the previous twelve (12) months. The minimum fee shall be not less



1 than Two Thousand Five Hundred Dollars (\$2,500.00) and the maximum  
2 fee shall not exceed Ten Thousand Dollars (\$10,000.00).

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

6 E. 1. In addition to the applicable licensing fee prescribed  
7 in subsection D of this section, a surcharge of One Thousand Dollars  
8 (\$1,000.00) shall be assessed annually on licenses issued under this  
9 section.

10 2. The surcharge shall be deposited into the following funds:

- 11 a. Five Hundred Dollars (\$500.00) into the County Sheriff  
12 Public Safety Grant Revolving Fund established in  
13 Section 427.3a of this title, and  
14 b. Five Hundred Dollars (\$500.00) into the Oklahoma  
15 Tourism and Recreation Department Revolving Fund  
16 established in Section 2251 of Title 74 of the  
17 Oklahoma Statutes.

18 F. All applicants seeking licensure or licensure renewal as a  
19 medical marijuana business shall comply with the following general  
20 requirements:

21 1. All applications for licenses and registrations authorized  
22 pursuant to this section shall be made upon forms prescribed by the  
23 Authority;

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

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

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

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

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

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

24           a. twenty-five (25) years of age or older,

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

1 Upon reasonable suspicion that a medical marijuana business licensee  
2 is illegally growing, processing, transferring, selling, disposing,  
3 or diverting marijuana, the Authority, the Oklahoma State Bureau of  
4 Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of  
5 Investigation, or the Attorney General may subpoena documents  
6 necessary to establish the personal identifying information of all  
7 owners and individuals with any ownership interest in the business;

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

16 9. All applicants for a medical marijuana business license,  
17 research facility license or education facility license authorized  
18 by the Oklahoma Medical Marijuana and Patient Protection Act, or for  
19 a renewal of such license, shall undergo a national fingerprint-  
20 based background check conducted by the Oklahoma State Bureau of  
21 Investigation (OSBI) within thirty (30) days prior to the  
22 application for the license, including:

- 23 a. individual applicants applying on their own behalf,
- 24 b. individuals applying on behalf of an entity,

- c. all principal officers of an entity, and
- d. all owners of an entity as defined by the Oklahoma Medical Marijuana and Patient Protection Act;

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

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

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

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

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

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

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

18 14. All applicants shall submit an applicant photograph.

19 ~~F.~~ G. The Authority shall review the medical marijuana business  
20 application; approve, reject, or deny the application; and send the  
21 approval, rejection, denial, or status-update letter to the  
22 applicant in the same method the application was submitted to the  
23 Authority within ninety (90) business days of receipt of the  
24 application.

1        ~~G.~~ H. 1. The Authority shall review the medical marijuana  
2 business applications, conduct all investigations, inspections, and  
3 interviews, and collect all license and application fees before  
4 approving the application.

5        2. Approved applicants shall be issued a medical marijuana  
6 business license for the specific category applied under, which  
7 shall act as proof of their approved status. Rejection and denial  
8 letters shall provide a reason for the rejection or denial.

9 Applications may only be rejected or denied based on the applicant  
10 not meeting the standards set forth in the provisions of the  
11 Oklahoma Medical Marijuana and Patient Protection Act and Sections  
12 420 through 426.1 of this title, improper completion of the  
13 application, unpaid license or application fees, or for a reason  
14 provided for in the Oklahoma Medical Marijuana and Patient  
15 Protection Act and Sections 420 through 426.1 of this title. If an  
16 application is rejected for failure to provide required information,  
17 the applicant shall have thirty (30) days to submit the required  
18 information for reconsideration. Unless the Authority determines  
19 otherwise, an application that has been resubmitted but is still  
20 incomplete or contains errors that are not clerical or typographical  
21 in nature shall be denied.

22        3. Status-update letters shall provide a reason for delay in  
23 either approval, rejection or denial should a situation arise in  
24

1 which an application was submitted properly but a delay in  
2 processing the application occurred.

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

6 ~~H.~~ I. A license for a medical marijuana business, medical  
7 marijuana research facility, medical marijuana education facility or  
8 medical marijuana waste disposal facility shall not be issued to or  
9 held by:

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

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

14 3. A corporation, if the criminal history of any of its  
15 officers, directors or stockholders indicates that the officer,  
16 director or stockholder 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 4. A person under twenty-five (25) years of age;

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

23 a. file taxes, interest or penalties due related to a  
24 medical marijuana business, or  
25



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

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

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

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

14           a.    unlawful sales or purchases,

15           b.    any fraudulent acts, falsification of records or  
16 misrepresentation to the Authority, medical marijuana  
17 patient licensees, caregiver licensees or medical  
18 marijuana business licensees,

19           c.    any grossly inaccurate or fraudulent reporting,

20           d.    threatening or harming any medical marijuana patient,  
21 caregiver, medical practitioner or employee of the  
22 Authority,

23           e.    knowingly or intentionally refusing to permit the  
24 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.

~~J.~~ J. 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.

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

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

~~M.~~ M. A licensed medical marijuana business premises shall be subject to and responsible for compliance with applicable provisions consistent with the zoning where such business is located as

1 described in the most recent versions of the Oklahoma Uniform  
2 Building Code, the International Building Code and the International  
3 Fire Code, unless granted an exemption by a municipality or  
4 appropriate code enforcement entity.

5 ~~M.~~ N. All medical marijuana business, medical marijuana  
6 research facility, medical marijuana education facility and medical  
7 marijuana waste disposal facility licensees shall pay the relevant  
8 licensure fees prior to receiving licensure to operate.

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

16 ~~O.~~ P. No medical marijuana business, medical marijuana research  
17 facility, medical marijuana education facility or medical marijuana  
18 waste disposal facility shall possess, sell or transfer medical  
19 marijuana or medical marijuana products without a valid, unexpired  
20 license issued by the Authority.

21 ~~P.~~ Q. No more than one medical marijuana commercial grower  
22 license shall be issued for any one property.

23 ~~Q.~~ R. The Executive Director of the Authority may promulgate  
24 rules to implement the provisions of this section including, but not  
25

1 limited to, required application materials to be submitted by the  
2 applicant and utilized by the Authority to determine medical  
3 marijuana business licensing fees pursuant to this section.

4 SECTION 2. This act shall become effective November 1, 2024.

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