

1 **SENATE FLOOR VERSION**

2 March 3, 2022

3 SENATE BILL NO. 1755

By: Leewright of the Senate

4 and

5 Pfeiffer of the House

6
7
8 An Act relating to medical marijuana licensing;
9 amending 63 O.S. 2021, Section 427.14, as last
10 amended by Section 8, Chapter 584, O.S.L. 2021, which
11 relates to the medical marijuana business license;
12 providing for attestation requirements for
13 applicants; preventing the issuance of a license to
14 an applicant without the proper permitting from
15 municipalities; requiring the Oklahoma Medical
16 Marijuana Authority to review plans and perform
17 safety and compliance inspections prior to issuances
18 of license; allowing for the issuance of a
19 conditional license by the Authority until all
20 requirements are fulfilled by applicant; and
21 providing an effective date.

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

23 SECTION 1. AMENDATORY 63 O.S. 2021, Section 427.14, as
24 last amended by Section 8, Chapter 584, O.S.L. 2021, 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;

- 1 2. Medical marijuana processor;
- 2 3. Medical marijuana dispensary;
- 3 4. Medical marijuana transporter; and
- 4 5. Medical marijuana testing laboratory.

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

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

11 D. The nonrefundable application fee for a medical marijuana
12 business license shall be Two Thousand Five Hundred Dollars
13 (\$2,500.00).

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

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

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

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

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

3 5. All applications shall include all attachments or
4 supplemental information required by the forms supplied by the
5 Authority including the attestation required by Section 427.15 of
6 this title;

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

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

12 a. all applicants shall be age twenty-five (25) years of
13 age or older,

14 b. any applicant applying as an individual shall show
15 proof that the applicant is an Oklahoma resident
16 pursuant to paragraph 11 of this subsection,

17 c. any applicant applying as an entity shall show that
18 seventy-five percent (75%) of all members, managers,
19 executive officers, partners, board members or any
20 other form of business ownership are Oklahoma
21 residents pursuant to paragraph 11 of this subsection,

22 d. all applying individuals or entities shall be
23 registered to conduct business in this state,
24

1 e. all applicants shall disclose all ownership interests
2 pursuant to the Oklahoma Medical Marijuana and Patient
3 Protection Act, and

4 f. applicants shall not have been convicted of a
5 nonviolent felony in the last two (2) years, and any
6 other felony conviction within the last five (5)
7 years, shall not be current inmates, or currently
8 incarcerated in a jail or corrections facility;

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

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

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

1 c. all principal officers of an entity, and

2 d. all owners of an entity as defined by Section 427.2 of
3 this title;

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

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

15 a. an unexpired Oklahoma-issued driver license,

16 b. an Oklahoma voter identification card,

17 c. a utility bill preceding the date of application,
18 excluding cellular telephone and Internet bills,

19 d. a residential property deed to property in this state,
20 and

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

23 Applicants that were issued a medical marijuana business license
24 prior to the enactment of the Oklahoma Medical Marijuana and Patient

1 Protection Act are hereby exempt from the two-year or five-year
2 Oklahoma residence requirement mentioned above;

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

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

- 10 a. front and back of an Oklahoma driver license,
- 11 b. front and back of an Oklahoma identification card,
- 12 c. a United States passport or other photo identification
13 issued by the United States government,
- 14 d. certified copy of the applicant's birth certificate
15 for minor applicants who do not possess a document
16 listed in this section, or
- 17 e. a tribal identification card approved for
18 identification purposes by the ~~Oklahoma~~ Department of
19 Public Safety; and

20 14. All applicants shall submit an applicant photograph.

21 F. The Authority shall review the medical marijuana business
22 application, approve or reject the application and mail the
23 approval, rejection or status-update letter to the applicant within
24 ninety (90) business days of receipt of the application.

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

4 2. Approved applicants shall be issued a medical marijuana
5 business license for the specific category applied under which shall
6 act as proof of their approved status. Rejection letters shall
7 provide a reason for the rejection. Applications may only be
8 rejected based on the applicant not meeting the standards set forth
9 in the provisions of this section, improper completion of the
10 application or for a reason provided for in the Oklahoma Medical
11 Marijuana and Patient Protection Act. If an application is rejected
12 for failure to provide required information, the applicant shall
13 have thirty (30) days to submit the required information for
14 reconsideration. No additional application fee shall be charged for
15 such reconsideration.

16 3. Status-update letters shall provide a reason for delay in
17 either approval or rejection should a situation arise in which an
18 application was submitted properly, but a delay in processing the
19 application occurred.

20 4. Approval, rejection or status-update letters shall be sent
21 to the applicant in the same method the application was submitted to
22 the Authority.

23 H. A medical marijuana business license shall not be issued to
24 or held by:

- 1 1. A person until all required fees have been paid;
- 2 2. A person who has been convicted of a nonviolent felony
3 within two (2) years of the date of application, or within five (5)
4 years for any other felony;
- 5 3. A corporation, if the criminal history of any of its
6 officers, directors or stockholders indicates that the officer,
7 director or stockholder has been convicted of a nonviolent felony
8 within two (2) years of the date of application, or within five (5)
9 years for any other felony;
- 10 4. A person under twenty-five (25) years of age;
- 11 5. A person licensed pursuant to this section who, during a
12 period of licensure, or who, at the time of application, has failed
13 to:
 - 14 a. file taxes, interest or penalties due related to a
15 medical marijuana business, or
 - 16 b. pay taxes, interest or penalties due related to a
17 medical marijuana business;
- 18 6. A sheriff, deputy sheriff, police officer or prosecuting
19 officer, or an officer or employee of the Authority or municipality;
20 or
- 21 7. A person whose authority to be a caregiver as defined in the
22 Oklahoma Medical Marijuana and Patient Protection Act has been
23 revoked by the Authority.

24

1 I. A license provided by the Oklahoma Medical Marijuana and
2 Patient Protection Act or by Section 421, 422, 423, or 425 of this
3 title shall not be issued until all relevant local licenses and
4 permits have been issued by the municipality including, but not
5 limited to, an occupancy permit or certificate of compliance.

6 J. In addition to the requirements of subsection I of this
7 section, a license provided by this section or by Section 421, 422,
8 423, or 425 of this title shall not be issued until the Authority
9 determines that all necessary inspections and reviews including, but
10 not limited to, plans reviews, life safety inspections, or
11 compliance inspections, have been completed.

12 K. If an applicant has not received the necessary permits,
13 certificates, or licenses from a municipality, or has not completed
14 the necessary inspections or reviews as determined by the Authority,
15 but the applicant has fulfilled all other obligations required by
16 the Oklahoma Medical Marijuana and Patient Protection Act, the
17 Authority shall grant a conditional license. A conditional license
18 shall not entitle an applicant to operate or act as a licensee
19 pursuant to the provisions of the Oklahoma Medical Marijuana and
20 Patient Protection Act. Once the applicant has fulfilled all the
21 obligations as determined by the Authority, the Authority may
22 approve the application.

23 L. In investigating the qualifications of an applicant or a
24 licensee, the Authority and municipalities may have access to

1 criminal history record information furnished by a criminal justice
2 agency subject to any restrictions imposed by such an agency. In
3 the event the Authority considers the criminal history record of the
4 applicant, the Authority shall also consider any information
5 provided by the applicant regarding such criminal history record
6 including but not limited to evidence of rehabilitation, character
7 references and educational achievements, especially those items
8 pertaining to the period of time between the last criminal
9 conviction of the applicant and the consideration of the application
10 for a state license.

11 ~~J.~~ M. The failure of an applicant to provide the requested
12 information by the Authority deadline may be grounds for denial of
13 the application.

14 ~~K.~~ N. All applicants shall submit information to the Authority
15 in a full, faithful, truthful and fair manner. The Authority may
16 recommend denial of an application where the applicant made
17 misstatements, omissions, misrepresentations or untruths in the
18 application or in connection with the background investigation of
19 the applicant. This type of conduct may be considered as the basis
20 for additional administrative action against the applicant. Typos
21 and scrivener errors shall not be grounds for denial.

22 ~~L.~~ O. A licensed medical marijuana business premises shall be
23 subject to and responsible for compliance with applicable provisions
24 for medical marijuana business facilities as described in the most

1 recent versions of the Oklahoma Uniform Building Code, the
2 International Building Code and the International Fire Code, unless
3 granted an exemption by the Authority or municipality.

4 ~~M.~~ P. All medical marijuana business licensees shall pay the
5 relevant licensure fees prior to receiving licensure to operate a
6 medical marijuana business, as defined in the Oklahoma Medical
7 Marijuana and Patient Protection Act for each class of license.

8 ~~N.~~ Q. An original medical marijuana business license issued on
9 or after June 26, 2018, by the Authority, for a medical marijuana
10 commercial grower, a medical marijuana processor or a medical
11 marijuana dispensary shall be deemed to have been grandfathered into
12 the location on the date the original license was first issued for
13 purposes of determining the authority of the business to conduct and
14 continue the same type of business at that location under a license
15 issued by the Authority, except as may be provided in Sections 425
16 and 426.1 of this title. Any change in ownership after the original
17 medical marijuana business license has been issued by the Authority
18 shall be construed by the Authority to be a continuation of the same
19 type of business originally licensed at that location. Nothing
20 shall authorize the Authority to deny issuance or renewal of a
21 license or transfer of license due to a change in ownership for the
22 same business location previously licensed, except when a revocation
23 is otherwise authorized by law or a protest is made under the
24 municipal compliance provisions of Section 426.1 of this title.

1 SECTION 2. This act shall become effective November 1, 2022.

2 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS, COMMERCE AND TOURISM
3 March 3, 2022 - DO PASS
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