

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

SENATE BILL 1246

By: Pederson

AS INTRODUCED

An Act relating to medical marijuana; amending Section 14, Chapter 11, O.S.L. 2019, as amended by Section 6, Chapter 509 O.S.L. 2019 (63 O.S. Supp. 2019, Section 427.14), which relates to medical marijuana business license; providing certain exemption; updating statutory references; and providing an effective date.

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

SECTION 1. AMENDATORY Section 14, Chapter 11, O.S.L. 2019, as amended by Section 6, Chapter 509 O.S.L. 2019 (63 O.S. Supp. 2019, 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
5. Medical marijuana testing laboratory.

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

4 C. The Authority shall make available on its website or the
5 website of the Oklahoma Medical Marijuana Authority in an easy-to-
6 find location, applications for a medical marijuana business.

7 D. The nonrefundable application fee for a medical marijuana
8 business license shall be Two Thousand Five Hundred Dollars
9 (\$2,500.00).

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

12 1. All applications for licenses and registrations authorized
13 pursuant to this section shall be made upon forms prescribed by the
14 Authority;

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

18 3. Applicants shall submit a complete application to the
19 Department before the application may be accepted or considered;

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

22 5. All applications shall include all attachments or
23 supplemental information required by the forms supplied by the
24 Authority;

1 6. All applications shall be accompanied by a full remittance
2 for the whole amount of the application fees. Application fees are
3 nonrefundable;

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

- 6 a. all applicants shall be age twenty-five (25) years of
7 age or older,
- 8 b. any applicant applying as an individual shall show
9 proof that the applicant is an Oklahoma resident
10 pursuant to paragraph 11 of this subsection,
- 11 c. any applicant applying as an entity shall show that
12 seventy-five percent (75%) of all members, managers,
13 executive officers, partners, board members or any
14 other form of business ownership are Oklahoma
15 residents pursuant to paragraph 11 of this subsection,
- 16 d. all applying individuals or entities shall be
17 registered to conduct business in the State of
18 Oklahoma,
- 19 e. all applicants shall disclose all ownership interests
20 pursuant to ~~this act~~ the Medical Marijuana and Patient
21 Protection Act, and
- 22 f. applicants shall not have been convicted of a
23 nonviolent felony in the last two (2) years, and any
24 other felony conviction within the last five (5)

1 years, shall not be current inmates, or currently
2 incarcerated in a jail or corrections facility;

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

10 9. All applicants for a medical marijuana business license,
11 research facility license or education facility license authorized
12 by this act shall undergo an Oklahoma criminal history background
13 check conducted by the Oklahoma State Bureau of Investigation (OSBI)
14 within thirty (30) days prior to the application for the license,
15 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 this act;

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

23 11. In order to be considered an Oklahoma resident for purposes
24 of a medical marijuana business application, all applicants shall

1 provide proof of Oklahoma residency for at least two (2) years
2 immediately preceding the date of application or five (5) years of
3 continuous Oklahoma residency during the preceding twenty-five (25)
4 years immediately preceding the date of application. Sufficient
5 documentation of proof of residency shall include a combination of
6 the following:

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

16 12. All license applicants shall be required to submit a
17 registration with the Oklahoma State Bureau of Narcotics and
18 Dangerous Drugs Control as provided in ~~Sections 2-202 through 2-204~~
19 ~~of Title 63 of the Oklahoma Statutes~~ Sections 2-302 through 2-304 of
20 this title;

21 13. All applicants shall establish their identity through
22 submission of a color copy or digital image of one of the following
23 unexpired documents:

- 24 a. front and back of an Oklahoma driver license,

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

14. All applicants shall submit an applicant photograph.

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

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

2. Approved applicants shall be issued a medical marijuana business license for the specific category applied under which shall act as proof of their approved status. Rejection letters shall provide a reason for the rejection. Applications may only be rejected based on the applicant not meeting the standards set forth in the provisions of this section, improper completion of the application, or for a reason provided for in this act. If an

1 application is rejected for failure to provide required information,
2 the applicant shall have thirty (30) days to submit the required
3 information for reconsideration. No additional application fee
4 shall be charged for such reconsideration.

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

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

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

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

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

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

23 4. A person under twenty-five (25) years of age;
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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 this act has been revoked by the Department; or

12 8. A publicly traded company.

13 I. In investigating the qualifications of an applicant or a
14 licensee, the Department, Authority and municipalities may have
15 access to criminal history record information furnished by a
16 criminal justice agency subject to any restrictions imposed by such
17 an agency. In the event the Department considers the criminal
18 history record of the applicant, the Department shall also consider
19 any information provided by the applicant regarding such criminal
20 history record, including but not limited to evidence of
21 rehabilitation, character references and educational achievements,
22 especially those items pertaining to the period of time between the
23 last criminal conviction of the applicant and the consideration of
24 the application for a state license.

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

4 K. All applicants shall submit information to the Department
5 and Authority in a full, faithful, truthful and fair manner. The
6 Department and Authority may recommend denial of an application
7 where the applicant made misstatements, omissions,
8 misrepresentations or untruths in the application or in connection
9 with the background investigation of the applicant. This type of
10 conduct may be considered as the basis for additional administrative
11 action against the applicant. Typos and scrivener errors shall not
12 be grounds for denial.

13 L. A licensed medical marijuana business premises shall be
14 subject to and responsible for compliance with applicable provisions
15 for medical marijuana business facilities as described in the most
16 recent versions of the Oklahoma Uniform Building Code, the
17 International Building Code and the International Fire Code, unless
18 granted an exemption by the Authority or municipality. An
19 agricultural building used to grow medical marijuana indoors shall
20 not be subject to the provisions of Section 903 of the International
21 Fire Code or subsequent sections pertaining to fire suppression.

22 M. All medical marijuana business licensees shall pay the
23 relevant licensure fees prior to receiving licensure to operate a
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1 medical marijuana business, as defined in this act for each class of
2 license.

3 SECTION 2. This act shall become effective November 1, 2020.
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