1	ENGROSSED HOUSE AMENDMENT TO
2	ENGROSSED SENATE BILL NO. 1697 By: Jech of the Senate
3	and
4	Moore of the House
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7	commercial growing operations - sufficient in event of loss of license - codification - emergency]
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LO	
1	AUTHOR: Add the following Senate Coauthor: Pederson
L2	AMENDMENT NO. 1. Strike the title, enacting clause, and entire bill
L3	and insert:
L 4	
L5	"An Act relating to medical marijuana growing
operations; amending 63 O.S. 2021, Section 427.14, as last amended by Section 8, Chapter 584, O.S.L.	as last amended by Section 8, Chapter 584, O.S.L.
L7	2021, which relates to the medical marijuana business license; requiring bond to be submitted
L 8	during application process if participating in growing operations; requiring bond to be filed with
L 9	the Oklahoma Medical Marijuana Authority for designated area of commercial growing operations;
20	<pre>providing minimum amount; allowing Authority to require additional coverage; requiring amount should</pre>
21	be sufficient in event of loss of license; providing for codification; and declaring an emergency.
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24	BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

- 1 | SECTION 1. AMENDATORY 63 O.S. 2021, Section 427.14, as
- 2 | last amended by Section 8, Chapter 584, O.S.L. 2021, is amended to
- 3 | read as follows:
- 4 Section 427.14 A. There is hereby created the medical
- 5 | marijuana business license, which shall include the following
- 6 categories:

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- 1. Medical marijuana commercial grower;
- 2. Medical marijuana processor;
- 3. Medical marijuana dispensary;
 - 4. Medical marijuana transporter; and
- 5. Medical marijuana testing laboratory.
- 12 | B. The Oklahoma Medical Marijuana Authority, with the aid of
- 13 | the Office of Management and Enterprise Services, shall develop a
- 14 | website for medical marijuana business applications.
- 15 C. The Authority shall make available on its website in an
- 16 | easy-to-find location, applications for a medical marijuana
- 17 business.
- D. The nonrefundable application fee for a medical marijuana
- 19 business license shall be Two Thousand Five Hundred Dollars
- 20 (\$2,500.00).
- E. All applicants seeking licensure or licensure renewal as a
- 22 | medical marijuana business shall comply with the following general
- 23 | requirements:

- 1. All applications for licenses and registrations authorized pursuant to this section shall be made upon forms prescribed by the Authority;
 - 2. Each application shall identify the city or county in which the applicant seeks to obtain licensure as a medical marijuana business;
- 3. Applicants shall submit a complete application to the Authority before the application may be accepted or considered;
- 4. All applications shall be complete and accurate in every detail;
- 5. All applications shall include all attachments or supplemental information required by the forms supplied by the Authority;
- 6. All applications shall be accompanied by a full remittance for the whole amount of the application fees. Application fees are nonrefundable;
- 7. All applicants shall be approved for licensing review that, at a minimum, meets the following criteria:
 - a. all applicants shall be age twenty-five (25) years of age or older,
 - b. any applicant applying as an individual shall show proof that the applicant is an Oklahoma resident pursuant to paragraph 11 12 of this subsection,

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- c. any applicant applying as an entity shall show that seventy-five percent (75%) of all members, managers, executive officers, partners, board members or any other form of business ownership are Oklahoma residents pursuant to paragraph 11 12 of this subsection,

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

e. all applicants shall disclose all ownership interests

pursuant to the Oklahoma Medical Marijuana and Patient

Protection Act, and

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

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

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 by the Oklahoma Medical Marijuana and Patient Protection Act shall 3 undergo an Oklahoma criminal history background check conducted by 4 5 the Oklahoma State Bureau of Investigation (OSBI) within thirty (30) days prior to the application for the license including: 6 7 individual applicants applying on their own behalf, a. b. individuals applying on behalf of an entity, 8 9 C. all principal officers of an entity, and all owners of an entity as defined by Section 427.2 of 10 d. 11 this title; 12 10. All applicants for a medical marijuana business license 13 seeking to operate a commercial grow shall file along with their 14 application a bond as prescribed in Section 2 of this act;
 - 10. 11. All applicable fees charged by 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. 12. 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

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1 documentation of proof of residency shall include a combination of 2 the following:

- a. an unexpired Oklahoma-issued driver license,
- b. an Oklahoma voter 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.

Applicants that were issued a medical marijuana business license prior to the enactment of the Oklahoma Medical Marijuana and Patient Protection Act are hereby exempt from the two-year or five-year Oklahoma residence requirement mentioned above;

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

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

- a. front and back of an Oklahoma driver license,
- b. front and back of an Oklahoma identification card,

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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. 15. 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) business 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 the Oklahoma Medical Marijuana and Patient Protection Act. If an application is rejected

- for failure to provide required information, the applicant shall
 have thirty (30) days to submit the required information for
 reconsideration. No additional application fee shall be charged for
 such reconsideration.
 - 3. Status-update letters shall provide a reason for delay in either approval or rejection should a situation arise in which an application was submitted properly, but a delay in processing the 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 Authority.
- H. A medical marijuana business license shall not be issued to or held by:
 - 1. A person until all required fees have been paid;
 - 2. A person who has been convicted of a nonviolent felony within two (2) years of the date of application, or within five (5) years for any other felony;
 - 3. A corporation, if the criminal history of any of its officers, directors or stockholders indicates that the officer, director or stockholder has been convicted of a nonviolent felony within two (2) years of the date of application, or within five (5) years for any other felony;
 - 4. A person under twenty-five (25) years of age;

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

- a. file taxes, interest or penalties due related to a medical marijuana business, or
- b. pay taxes, interest or penalties due related to a medical marijuana business;
- 6. A sheriff, deputy sheriff, police officer or prosecuting officer, or an officer or employee of the Authority or municipality; or
- 7. A person whose authority to be a caregiver as defined in the Oklahoma Medical Marijuana and Patient Protection Act has been revoked by the Authority.
- 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. In the event the Authority considers the criminal history record of the applicant, the Authority shall also consider any information provided by the applicant regarding such criminal history record including but not limited to evidence of rehabilitation, character references and educational achievements, especially those items pertaining to the period of time between the last criminal

- conviction of the applicant and the consideration of the application for a state license.
 - J. The failure of an applicant to provide the requested information by the Authority deadline may be grounds for denial of the application.
 - K. All applicants 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 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 considered as the basis for additional administrative action against the applicant. Typos and scrivener errors shall not be grounds for denial.
 - L. A licensed medical marijuana business premises shall be subject to and responsible for compliance with applicable provisions for medical marijuana business facilities as described in the most recent versions of the Oklahoma Uniform Building Code, the International Building Code and the International Fire Code, unless granted an exemption by the Authority or municipality.
 - M. All medical marijuana business licensees shall pay the relevant licensure fees prior to receiving licensure to operate a medical marijuana business, as defined in the Oklahoma Medical Marijuana and Patient Protection Act for each class of license.

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1 N. An original medical marijuana business license issued on or after June 26, 2018, by the Authority, for a medical marijuana 2 commercial grower, a medical marijuana processor or a medical 3 marijuana dispensary shall be deemed to have been grandfathered into 5 the location on the date the original license was first issued for purposes of determining the authority of the business to conduct and 6 7 continue the same type of business at that location under a license issued by the Authority, except as may be provided in Sections 425 and 426.1 of this title. Any change in ownership after the original medical marijuana business license has been issued by the Authority 10 shall be construed by the Authority to be a continuation of the same 11 12 type of business originally licensed at that location. Nothing 13 shall authorize the Authority to deny issuance or renewal of a 14 license or transfer of license due to a change in ownership for the 15 same business location previously licensed, except when a revocation 16 is otherwise authorized by law or a protest is made under the 17 municipal compliance provisions of Section 426.1 of this title.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 427.25 of Title 63, unless there is created a duplication in numbering, reads as follows:

A. It shall be unlawful for any holder of a medical marijuana business license pursuant to Section 427.14 of Title 63 of the Oklahoma Statutes to engage in any commercial growing operations in this state without acquiring a bond. The bond shall cover that area

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- of land within the permit area upon which the business licensee will initiate and conduct commercial growing operations.
- B. Every applicant for a commercial grower license or commercial grower licensee shall file with the Oklahoma Medical Marijuana Authority a bond satisfactory to the Authority and in the amount no less than Twenty-five Thousand Dollars (\$25,000.00) for each license sought or held, with a surety company qualified to do business in this state as surety. The bond shall be furnished to the state for the use of the state pursuant to the provisions of this act. The bond shall be conditional that the obligor will comply with the provisions of this act and all rules and regulations made pursuant to this act and will pay all amounts of money that may be due to the state during the time such bond is in effect.
- C. The Authority may require a higher amount depending upon the reclamation requirements of the approved application. The amount shall reflect the probable difficulty of reclamation with consideration for such factors including, but not limited to, topography, hydrology, and revegetation potential. The amount of the bond for a commercial growing operation shall be sufficient to assure the completion of the reclamation plan if the work has to be performed by the Authority in the event of license revocation.
- SECTION 3. It being immediately necessary for the preservation of the public peace, health or safety, an emergency is hereby

1	declared to exist, by reason whereof this act shall take effect and
2	be in full force from and after its passage and approval."
3	Passed the House of Representatives the 20th day of April, 2022.
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6	Presiding Officer of the House of Representatives
7	Representatives
8	Passed the Senate the day of, 2022.
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1	ENGROSSED SENATE
2	BILL NO. 1697 By: Jech of the Senate
3	and
4	Moore of the House
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6	[medical marijuana growing operations - bond to be
7	submitted during application process - area of commercial growing operations - sufficient in event
8	of loss of license - codification - emergency]
9	emergency j
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11	BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:
12	SECTION 4. AMENDATORY 63 O.S. 2021, Section 427.14, as
13	last amended by Section 8, Chapter 584, O.S.L. 2021, is amended to
14	read as follows:
15	Section 427.14. A. There is hereby created the medical
16	marijuana business license, which shall include the following
17	categories:
18	1. Medical marijuana commercial grower;
19	2. Medical marijuana processor;
20	3. Medical marijuana dispensary;
21	4. Medical marijuana transporter; and
22	5. Medical marijuana testing laboratory.
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- B. The Oklahoma Medical Marijuana Authority, with the aid of the Office of Management and Enterprise Services, shall develop a website for medical marijuana business applications.
- C. The Authority shall make available on its website in an easy-to-find location, applications for a medical marijuana business.
- D. The nonrefundable application fee for a medical marijuana business license shall be Two Thousand Five Hundred Dollars (\$2,500.00).
- E. All applicants seeking licensure or licensure renewal as a medical marijuana business shall comply with the following general requirements:
- 1. All applications for licenses and registrations authorized pursuant to this section shall be made upon forms prescribed by the Authority;
- 2. Each application shall identify the city or county in which the applicant seeks to obtain licensure as a medical marijuana business;
- 3. Applicants shall submit a complete application to the Authority before the application may be accepted or considered;
- 4. All applications shall be complete and accurate in every detail;

- 5. All applications shall include all attachments or supplemental information required by the forms supplied by the Authority;
- 6. All applications shall be accompanied by a full remittance for the whole amount of the application fees. Application fees are nonrefundable;
- 7. All applicants shall be approved for licensing review that, at a minimum, meets the following criteria:
 - a. all applicants shall be age twenty-five (25) years of age or older,
 - b. any applicant applying as an individual shall show proof that the applicant is an Oklahoma resident pursuant to paragraph $\frac{11}{2}$ of this subsection,
 - c. any applicant applying as an entity shall show that seventy-five percent (75%) of all members, managers, executive officers, partners, board members or any other form of business ownership are Oklahoma residents pursuant to paragraph 11 12 of this subsection,
 - d. all applying individuals or entities shall be registered to conduct business in this state,
 - e. all applicants shall disclose all ownership interests

 pursuant to the Oklahoma Medical Marijuana and Patient

 Protection Act, and

- f. applicants shall not have been convicted of a nonviolent felony in the last two (2) years, and any other felony conviction within the last five (5) years, shall not be current inmates, or currently incarcerated in a jail or corrections facility;
- 8. There shall be no limit to the number of medical marijuana business licenses or categories that an individual or entity can apply for or receive, although each application and each category shall require a separate application and application fee. A commercial grower, processor and dispensary, or any combination thereof, are authorized to share the same address or physical location, subject to the restrictions set forth in the Oklahoma Medical Marijuana and Patient Protection Act;
- 9. All applicants for a medical marijuana business license, research facility license or education facility license authorized by the Oklahoma Medical Marijuana and Patient Protection Act shall undergo an Oklahoma criminal history background check conducted by the Oklahoma State Bureau of Investigation (OSBI) within thirty (30) days prior to the application for the license including:
 - a. individual applicants applying on their own behalf,
 - 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 Section 427.2 of this title;

- 10. All applicants for a medical marijuana business license seeking to operate a commercial grow shall file along with their application a bond as prescribed in Section 2 of this act;
- 10. 11. All applicable fees charged by 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. 12. 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 voter 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.

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

- Protection Act are hereby exempt from the two-year or five-year
 Oklahoma residence requirement mentioned above;
 - 12. 13. All license applicants shall be required to submit a registration with the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control as provided in Sections 2-302 through 2-304 of this title;
 - 13. 14. All applicants shall establish their identity through submission of a color copy or digital image of one of the following unexpired documents:
 - 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. 15. 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) business days of receipt of the application.

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- 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 the Oklahoma Medical Marijuana and Patient Protection Act. If an application is rejected for failure to provide required information, the applicant shall have thirty (30) days to submit the required information for reconsideration. No additional application fee shall be charged for such reconsideration.
 - 3. Status-update letters shall provide a reason for delay in either approval or rejection should a situation arise in which an application was submitted properly, but a delay in processing the application occurred.
 - 4. Approval, rejection or status-update letters shall be sent to the applicant in the same method the application was submitted to the Authority.
- 23 H. A medical marijuana business license shall not be issued to 24 or held by:

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

- 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. In the event the Authority considers the criminal history record of the applicant, the Authority shall also consider any information provided by the applicant regarding such criminal history record including but not limited to evidence of rehabilitation, character references and educational achievements, especially those items pertaining to the period of time between the last criminal conviction of the applicant and the consideration of the application for a state license.
- J. The failure of an applicant to provide the requested information by the Authority deadline may be grounds for denial of the application.
- K. All applicants 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 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 considered as the basis for additional administrative action against the applicant. Typos and scrivener errors shall not be grounds for denial.

- L. A licensed medical marijuana business premises shall be subject to and responsible for compliance with applicable provisions for medical marijuana business facilities as described in the most recent versions of the Oklahoma Uniform Building Code, the International Building Code and the International Fire Code, unless granted an exemption by the Authority or municipality.
- M. All medical marijuana business licensees shall pay the relevant licensure fees prior to receiving licensure to operate a medical marijuana business, as defined in the Oklahoma Medical Marijuana and Patient Protection Act for each class of license.
- N. An original medical marijuana business license issued on or after June 26, 2018, by the Authority, for a medical marijuana commercial grower, a medical marijuana processor or a medical marijuana dispensary shall be deemed to have been grandfathered into the location on the date the original license was first issued for purposes of determining the authority of the business to conduct and continue the same type of business at that location under a license issued by the Authority, except as may be provided in Sections 425 and 426.1 of this title. Any change in ownership after the original medical marijuana business license has been issued by the Authority shall be construed by the Authority to be a continuation of the same type of business originally licensed at that location. Nothing shall authorize the Authority to deny issuance or renewal of a license or transfer of license due to a change in ownership for the

- same business location previously licensed, except when a revocation

 is otherwise authorized by law or a protest is made under the

 municipal compliance provisions of Section 426.1 of this title.
- SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 427.25 of Title 63, unless there is created a duplication in numbering, reads as follows:
 - A. It shall be unlawful for any holder of a medical marijuana business license pursuant to Section 427.14 of Title 63 of the Oklahoma Statutes to engage in any commercial growing operations in this state without acquiring a bond. The bond shall cover that area of land within the permit area upon which the business licensee will initiate and conduct commercial growing operations.
 - B. Every applicant for a commercial grower license or commercial grower licensee shall file with the Oklahoma Medical Marijuana Authority a bond satisfactory to the Authority and in the amount no less than Twenty-five Thousand Dollars (\$25,000.00) for each license sought or held, with a surety company qualified to do business in this state as surety. The bond shall be furnished to the state for the use of the state pursuant to the provisions of this act. The bond shall be conditional that the obligor will comply with the provisions of this act and all rules and regulations made pursuant to this act and will pay all amounts of money that may be due to the state during the time such bond is in effect.

1	C. The Authority may require a higher amount depending upon the
2	reclamation requirements of the approved application. The amount
3	shall reflect the probable difficulty of reclamation with
4	consideration for such factors including, but not limited to,
5	topography, hydrology, and revegetation potential. The amount of
6	the bond for a commercial growing operation shall be sufficient to
7	assure the completion of the reclamation plan if the work has to be
8	performed by the Authority in the event of revocation of license.
9	SECTION 6. It being immediately necessary for the preservation
10	of the public peace, health or safety, an emergency is hereby
11	declared to exist, by reason whereof this act shall take effect and
12	be in full force from and after its passage and approval.
13	Passed the Senate the 23rd day of March, 2022.
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15	Presiding Officer of the Senate
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17	Passed the House of Representatives the day of,
18	2022.
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20	Presiding Officer of the House
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