

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

COMMITTEE SUBSTITUTE  
FOR

HOUSE BILL NO. 2025

By: Fetgatter

COMMITTEE SUBSTITUTE

An Act relating to medical marijuana; amending 63 O.S. 2021, Section 427.14, which relates to the Oklahoma Medical Marijuana and Patient Protection Act; requiring medical marijuana business licensees to display their license in a certain manner; and declaring an emergency.

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

SECTION 1. AMENDATORY 63 O.S. 2021, 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 Oklahoma Medical Marijuana Authority, with the aid of  
2 the Office of Management and Enterprise Services, shall develop a  
3 website for medical marijuana business applications.

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

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

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

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

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

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

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

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 shall be accompanied by a full remittance  
5 for the whole amount of the application fees. Application fees are  
6 nonrefundable;

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

- 9            a. twenty-five (25) years of age or older,
- 10           b. if applying as an individual, proof that the applicant  
11            is an Oklahoma resident pursuant to paragraph 11 of  
12            this subsection,
- 13           c. if applying as an entity, proof that seventy-five  
14            percent (75%) of all members, managers, executive  
15            officers, partners, board members or any other form of  
16            business ownership are Oklahoma residents pursuant to  
17            paragraph 11 of this subsection,
- 18           d. if applying as an individual or entity, proof that the  
19            individual or entity is registered to conduct business  
20            in the State of Oklahoma,
- 21           e. disclosure of all ownership interests pursuant to the  
22            Oklahoma Medical Marijuana and Patient Protection Act,  
23            and

1           f.   proof that the medical marijuana business, medical  
2           marijuana research facility, medical marijuana  
3           education facility and medical marijuana waste  
4           disposal facility applicant or licensee has not been  
5           convicted of a nonviolent felony in the last two (2)  
6           years, or any other felony conviction within the last  
7           five (5) years, is not a current inmate in the custody  
8           of the Department of Corrections, or currently  
9           incarcerated in a jail or corrections facility;

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

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

1 e. a rental agreement preceding the date of application  
2 for residential property located in the State of  
3 Oklahoma.

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

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

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

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

21 14. All applicants shall submit an applicant photograph.

22 F. The Authority shall review the medical marijuana business  
23 application; approve, reject or deny the application; and mail the  
24

1 approval, rejection, denial or status-update letter to the applicant  
2 within ninety (90) business days of receipt of the application.

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

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

10 Applications may only be rejected or denied based on the applicant  
11 not meeting the standards set forth in the provisions of the  
12 Oklahoma Medical Marijuana and Patient Protection Act and Sections  
13 420 through 426.1 of this title, improper completion of the  
14 application, or for a reason provided for in the Oklahoma Medical  
15 Marijuana and Patient Protection Act and Sections 420 through 426.1  
16 of this title. If an application is rejected for failure to provide  
17 required information, the applicant shall have thirty (30) days to  
18 submit the required information for reconsideration. No additional  
19 application fee shall be charged for such reconsideration. Unless  
20 the Department determines otherwise, an application that has been  
21 resubmitted but is still incomplete or contains errors that are not  
22 clerical or typographical in nature shall be denied.

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

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 Department.

6 H. 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



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 Department; 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                Department,

23           e.    knowingly or intentionally refusing to permit the  
24                Department 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 Department, 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 Department and Authority in a full, faithful, truthful and fair manner. The Department and 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.

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

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

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

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

1        P. All licensed medical marijuana businesses, medical marijuana  
2 research facilities, medical marijuana education facilities, and  
3 medical marijuana waste disposal facilities shall display their  
4 license issued by the Authority in a conspicuous location or manner  
5 easily visible to any person entering the business. The Authority  
6 shall promulgate rules as may be necessary to implement the  
7 provisions of this subsection.

8        SECTION 2. It being immediately necessary for the preservation  
9 of the public peace, health or safety, an emergency is hereby  
10 declared to exist, by reason whereof this act shall take effect and  
11 be in full force from and after its passage and approval.

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13        58-2-10991        JL        03/03/22  
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