

1 ENGROSSED SENATE  
2 BILL NO. 1697

By: Jech of the Senate

3 and

4 Moore of the House

5  
6 [ medical marijuana growing operations - bond to be  
7 submitted during application process - area of  
8 commercial growing operations - sufficient in event  
of loss of license - codification - emergency ]

9  
10  
11 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

12 SECTION 1. 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.
- 23  
24

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 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 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 Authority 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. all applicants shall be age twenty-five (25) years of  
10 age or older,

11           b. any applicant applying as an individual shall show  
12 proof that the applicant is an Oklahoma resident  
13 pursuant to paragraph ~~11~~ 12 of this subsection,

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

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

22           e. all applicants shall disclose all ownership interests  
23 pursuant to the Oklahoma Medical Marijuana and Patient  
24 Protection Act, and

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

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

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

- 20           a.   individual applicants applying on their own behalf,
- 21           b.   individuals applying on behalf of an entity,
- 22           c.   all principal officers of an entity, and
- 23           d.   all owners of an entity as defined by Section 427.2 of
- 24                this title;

1        10. All applicants for a medical marijuana business license  
2 seeking to operate a commercial grow shall file along with their  
3 application a bond as prescribed in Section 2 of this act;

4        ~~10.~~ 11. All applicable fees charged by OSBI are the  
5 responsibility of the applicant and shall not be higher than fees  
6 charged to any other person or industry for such background checks;

7        ~~11.~~ 12. In order to be considered an Oklahoma resident for  
8 purposes of a medical marijuana business application, all applicants  
9 shall 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.~~ 13. 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.~~ 14. 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.~~ 15. 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.  
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1 I. In investigating the qualifications of an applicant or a  
2 licensee, the Authority and municipalities may have access to  
3 criminal history record information furnished by a criminal justice  
4 agency subject to any restrictions imposed by such an agency. In  
5 the event the Authority considers the criminal history record of the  
6 applicant, the Authority shall also consider any information  
7 provided by the applicant regarding such criminal history record  
8 including but not limited to evidence of rehabilitation, character  
9 references and educational achievements, especially those items  
10 pertaining to the period of time between the last criminal  
11 conviction of the applicant and the consideration of the application  
12 for a state license.

13 J. The failure of an applicant to provide the requested  
14 information by the Authority deadline may be grounds for denial of  
15 the application.

16 K. All applicants shall submit information to the Authority in  
17 a full, faithful, truthful and fair manner. The Authority may  
18 recommend denial of an application where the applicant made  
19 misstatements, omissions, misrepresentations or untruths in the  
20 application or in connection with the background investigation of  
21 the applicant. This type of conduct may be considered as the basis  
22 for additional administrative action against the applicant. Typos  
23 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 for medical marijuana business facilities as described in the most  
4 recent versions of the Oklahoma Uniform Building Code, the  
5 International Building Code and the International Fire Code, unless  
6 granted an exemption by the Authority or municipality.

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

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

1 same business location previously licensed, except when a revocation  
2 is otherwise authorized by law or a protest is made under the  
3 municipal compliance provisions of Section 426.1 of this title.

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

7 A. It shall be unlawful for any holder of a medical marijuana  
8 business license pursuant to Section 427.14 of Title 63 of the  
9 Oklahoma Statutes to engage in any commercial growing operations in  
10 this state without acquiring a bond. The bond shall cover that area  
11 of land within the permit area upon which the business licensee will  
12 initiate and conduct commercial growing operations.

13 B. Every applicant for a commercial grower license or  
14 commercial grower licensee shall file with the Oklahoma Medical  
15 Marijuana Authority a bond satisfactory to the Authority and in the  
16 amount no less than Twenty-five Thousand Dollars (\$25,000.00) for  
17 each license sought or held, with a surety company qualified to do  
18 business in this state as surety. The bond shall be furnished to  
19 the state for the use of the state pursuant to the provisions of  
20 this act. The bond shall be conditional that the obligor will  
21 comply with the provisions of this act and all rules and regulations  
22 made pursuant to this act and will pay all amounts of money that may  
23 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 3. 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.

14  
15 \_\_\_\_\_  
16 Presiding Officer of the Senate

17 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
18 2022.

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20 \_\_\_\_\_  
21 Presiding Officer of the House  
22 of Representatives  
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