

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 58th Legislature (2022)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 2025

By: Fetgatter and **Davis**

7
8 COMMITTEE SUBSTITUTE

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

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

16 SECTION 1. AMENDATORY 63 O.S. 2021, Section 427.14, is
17 amended to read as follows:

18 Section 427.14 A. There is hereby created the medical
19 marijuana business license, which shall include the following
20 categories:

- 21 1. Medical marijuana commercial grower;
- 22 2. Medical marijuana processor;
- 23 3. Medical marijuana dispensary;
- 24 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 COMMITTEE REPORT BY: COMMITTEE ON ALCOHOL, TOBACCO AND CONTROLLED
14 SUBSTANCES, dated 03/03/2022 - DO PASS, As Amended and Coauthored.
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