

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

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

4 COMMITTEE SUBSTITUTE  
5 FOR ENGROSSED  
6 SENATE BILL NO. 1755

By: Leewright of the Senate

and

Pfeiffer of the House

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10                                   COMMITTEE SUBSTITUTE

11           An Act relating to medical marijuana licensing;  
12           amending 63 O.S. 2021, Section 427.14, as last  
13           amended by Section 8, Chapter 584, O.S.L. 2021, which  
14           relates to the medical marijuana business license;  
15           providing for attestation requirements for  
16           applicants; preventing the issuance of a license to  
17           an applicant without the proper permitting from  
18           municipalities; requiring the Oklahoma Medical  
19           Marijuana Authority to review plans and perform  
20           safety and compliance inspections prior to issuances  
21           of license; allowing for the issuance of a  
22           conditional license by the Authority until all  
23           requirements are fulfilled by applicant; and  
24           providing an effective date.

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

SECTION 1.           AMENDATORY           63 O.S. 2021, Section 427.14, as  
last amended by Section 8, Chapter 584, O.S.L. 2021, is amended to  
read as follows:

1       Section 427.14 A. There is hereby created the medical  
2 marijuana business license, which shall include the following  
3 categories:

- 4       1. Medical marijuana commercial grower;
- 5       2. Medical marijuana processor;
- 6       3. Medical marijuana dispensary;
- 7       4. Medical marijuana transporter; and
- 8       5. Medical marijuana testing laboratory.

9       B. The Oklahoma Medical Marijuana Authority, with the aid of  
10 the Office of Management and Enterprise Services, shall develop a  
11 website for medical marijuana business applications.

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

15       D. The nonrefundable application fee for a medical marijuana  
16 business license shall be Two Thousand Five Hundred Dollars  
17 (\$2,500.00).

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

- 20       1. All applications for licenses and registrations authorized  
21 pursuant to this section shall be made upon forms prescribed by the  
22 Authority;

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

4        3. Applicants shall submit a complete application to the  
5 Authority before the application may be accepted or considered;

6        4. All applications shall be complete and accurate in every  
7 detail;

8        5. All applications shall include all attachments or  
9 supplemental information required by the forms supplied by the  
10 Authority including the attestation required by Section 427.15 of  
11 this title;

12        6. All applications shall be accompanied by a full remittance  
13 for the whole amount of the application fees. Application fees are  
14 nonrefundable;

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

17            a. all applicants shall be age twenty-five (25) years of  
18 age or older,

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

22            c. any applicant applying as an entity shall show that  
23 seventy-five percent (75%) of all members, managers,  
24 executive officers, partners, board members or any

- 1           other form of business ownership are Oklahoma  
2           residents pursuant to paragraph 11 of this subsection,
- 3           d.   all applying individuals or entities shall be  
4           registered to conduct business in this state,
- 5           e.   all applicants shall disclose all ownership interests  
6           pursuant to the Oklahoma Medical Marijuana and Patient  
7           Protection Act, and
- 8           f.   applicants shall not have been convicted of a  
9           nonviolent felony in the last two (2) years, and any  
10          other felony conviction within the last five (5)  
11          years, shall not be current inmates, or currently  
12          incarcerated in a jail or corrections facility;

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

21          9.   All applicants for a medical marijuana business license,  
22   research facility license or education facility license authorized  
23   by the Oklahoma Medical Marijuana and Patient Protection Act shall  
24   undergo an Oklahoma criminal history background check conducted by

1 the Oklahoma State Bureau of Investigation (OSBI) within thirty (30)  
2 days prior to the application for the license including:

- 3 a. individual applicants applying on their own behalf,
- 4 b. individuals applying on behalf of an entity,
- 5 c. all principal officers of an entity, and
- 6 d. all owners of an entity as defined by Section 427.2 of  
7 this title;

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

11 11. In order to be considered an Oklahoma resident for purposes  
12 of a medical marijuana business application, all applicants shall  
13 provide proof of Oklahoma residency for at least two (2) years  
14 immediately preceding the date of application or five (5) years of  
15 continuous Oklahoma residency during the preceding twenty-five (25)  
16 years immediately preceding the date of application. Sufficient  
17 documentation of proof of residency shall include a combination of  
18 the following:

- 19 a. an unexpired Oklahoma-issued driver license,
- 20 b. an Oklahoma voter identification card,
- 21 c. a utility bill preceding the date of application,  
22 excluding cellular telephone and Internet bills,
- 23 d. a residential property deed to property in this state,  
24 and

1 e. a rental agreement preceding the date of application  
2 for residential property located in this state.

3 Applicants that were issued a medical marijuana business license  
4 prior to the enactment of the Oklahoma Medical Marijuana and Patient  
5 Protection Act are hereby exempt from the two-year or five-year  
6 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 and back of an Oklahoma driver license,
- 15 b. front and back of an Oklahoma identification card,
- 16 c. a United States passport or other photo identification  
17 issued by the United States government,
- 18 d. certified copy of the applicant's birth certificate  
19 for minor applicants who do not possess a document  
20 listed in this section, or
- 21 e. a tribal identification card approved for  
22 identification purposes by the ~~Oklahoma~~ Department of  
23 Public Safety; and

24 14. All applicants shall submit an applicant photograph.

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

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

8 2. Approved applicants shall be issued a medical marijuana  
9 business license for the specific category applied under which shall  
10 act as proof of their approved status. Rejection letters shall  
11 provide a reason for the rejection. Applications may only be  
12 rejected based on the applicant not meeting the standards set forth  
13 in the provisions of this section, improper completion of the  
14 application or for a reason provided for in the Oklahoma Medical  
15 Marijuana and Patient Protection Act. If an application is rejected  
16 for failure to provide required information, the applicant shall  
17 have thirty (30) days to submit the required information for  
18 reconsideration. No additional application fee shall be charged for  
19 such reconsideration.

20 3. Status-update letters shall provide a reason for delay in  
21 either approval or rejection should a situation arise in which an  
22 application was submitted properly, but a delay in processing the  
23 application occurred.

1       4. Approval, rejection or status-update letters shall be sent  
2 to the applicant in the same method the application was submitted to  
3 the Authority.

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

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

7       2. A person who 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      3. A corporation, if the criminal history of any of its  
11 officers, directors or stockholders indicates that the officer,  
12 director or stockholder has been convicted of a nonviolent felony  
13 within two (2) years of the date of application, or within five (5)  
14 years for any other felony;

15      4. A person under twenty-five (25) years of age;

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

19           a. file taxes, interest or penalties due related to a  
20 medical marijuana business, or

21           b. pay taxes, interest or penalties due related to a  
22 medical marijuana business;  
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1       6. A sheriff, deputy sheriff, police officer or prosecuting  
2 officer, or an officer or employee of the Authority or municipality;  
3 or

4       7. A person whose authority to be a caregiver as defined in the  
5 Oklahoma Medical Marijuana and Patient Protection Act has been  
6 revoked by the Authority.

7       I. A license provided by the Oklahoma Medical Marijuana and  
8 Patient Protection Act or by Section 421, 422, 423, or 425 of this  
9 title shall not be issued until all relevant local licenses and  
10 permits have been issued by the municipality including, but not  
11 limited to, an occupancy permit or certificate of compliance.

12       J. In addition to the requirements of subsection I of this  
13 section, a license provided by this section or by Section 421, 422,  
14 423, or 425 of this title shall not be issued until the Authority  
15 determines that all necessary inspections and reviews including, but  
16 not limited to, plans reviews, life safety inspections, or  
17 compliance inspections, have been completed.

18       K. If an applicant has not received the necessary permits,  
19 certificates, or licenses from a municipality, or has not completed  
20 the necessary inspections or reviews as determined by the Authority,  
21 but the applicant has fulfilled all other obligations required by  
22 the Oklahoma Medical Marijuana and Patient Protection Act, the  
23 Authority shall grant a conditional license. A conditional license  
24 shall not entitle an applicant to operate or act as a licensee

1 pursuant to the provisions of the Oklahoma Medical Marijuana and  
2 Patient Protection Act. Once the applicant has fulfilled all the  
3 obligations as determined by the Authority, the Authority may  
4 approve the application.

5 L. In investigating the qualifications of an applicant or a  
6 licensee, the Authority and municipalities may have access to  
7 criminal history record information furnished by a criminal justice  
8 agency subject to any restrictions imposed by such an agency. In  
9 the event the Authority considers the criminal history record of the  
10 applicant, the Authority shall also consider any information  
11 provided by the applicant regarding such criminal history record  
12 including but not limited to evidence of rehabilitation, character  
13 references and educational achievements, especially those items  
14 pertaining to the period of time between the last criminal  
15 conviction of the applicant and the consideration of the application  
16 for a state license.

17 ~~J.~~ M. The failure of an applicant to provide the requested  
18 information by the Authority deadline may be grounds for denial of  
19 the application.

20 ~~K.~~ N. All applicants shall submit information to the Authority  
21 in a full, faithful, truthful and fair manner. The Authority may  
22 recommend denial of an application where the applicant made  
23 misstatements, omissions, misrepresentations or untruths in the  
24 application or in connection with the background investigation of

1 the applicant. This type of conduct may be considered as the basis  
2 for additional administrative action against the applicant. Typos  
3 and scrivener errors shall not be grounds for denial.

4 ~~H.~~ O. A licensed medical marijuana business premises shall be  
5 subject to and responsible for compliance with applicable provisions  
6 for medical marijuana business facilities as described in the most  
7 recent versions of the Oklahoma Uniform Building Code, the  
8 International Building Code and the International Fire Code, unless  
9 granted an exemption by the Authority or municipality.

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

14 ~~N.~~ Q. An original medical marijuana business license issued on  
15 or after June 26, 2018, by the Authority, for a medical marijuana  
16 commercial grower, a medical marijuana processor or a medical  
17 marijuana dispensary shall be deemed to have been grandfathered into  
18 the location on the date the original license was first issued for  
19 purposes of determining the authority of the business to conduct and  
20 continue the same type of business at that location under a license  
21 issued by the Authority, except as may be provided in Sections 425  
22 and 426.1 of this title. Any change in ownership after the original  
23 medical marijuana business license has been issued by the Authority  
24 shall be construed by the Authority to be a continuation of the same

1 type of business originally licensed at that location. Nothing  
2 shall authorize the Authority to deny issuance or renewal of a  
3 license or transfer of license due to a change in ownership for the  
4 same business location previously licensed, except when a revocation  
5 is otherwise authorized by law or a protest is made under the  
6 municipal compliance provisions of Section 426.1 of this title.

7 SECTION 2. This act shall become effective November 1, 2022.  
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9 COMMITTEE REPORT BY: COMMITTEE ON ALCOHOL, TOBACCO AND CONTROLLED  
10 SUBSTANCES, dated 04/14/2022 - DO PASS, As Amended.  
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