

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

SENATE BILL 1693

By: Bergstrom

AS INTRODUCED

An Act relating to medical marijuana; amending 63 O.S. 2021, Section 427.14, as last amended by Section 8, Chapter 554, O.S.L. 2021, which relates to medical marijuana business license; requiring license applicants to receive water permit prior to initiating a commercial grow or process operation; requiring commercial license holder to receive permitting from Oklahoma Water Resources Board under certain conditions; providing for revocation of license under certain conditions; and 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 554, O.S.L. 2021, 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

1 5. Medical marijuana testing laboratory.

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

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

8 D. The nonrefundable application fee for a medical marijuana
9 business license shall be Two Thousand Five Hundred Dollars
10 (\$2,500.00).

11 E. All applicants seeking licensure as a medical marijuana
12 business shall comply with the following general 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 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 of this subsection,
19 d. all applying individuals or entities shall be
20 registered to conduct business in this state,
21 e. all applicants shall disclose all ownership interests
22 pursuant to the Oklahoma Medical Marijuana and Patient
23 Protection Act, and
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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 applicable fees charged by OSBI are the responsibility
2 of the applicant and shall not be higher than fees charged to any
3 other person or industry for such background checks;

4 11. In order to be considered an Oklahoma resident for purposes
5 of a medical marijuana business application, all applicants shall
6 provide proof of Oklahoma residency for at least two (2) years
7 immediately preceding the date of application or five (5) years of
8 continuous Oklahoma residency during the preceding twenty-five (25)
9 years immediately preceding the date of application. Sufficient
10 documentation of proof of residency shall include a combination of
11 the following:

- 12 a. an unexpired Oklahoma-issued driver license,
- 13 b. an Oklahoma voter identification card,
- 14 c. a utility bill preceding the date of application,
15 excluding cellular telephone and Internet bills,
- 16 d. a residential property deed to property in this state,
17 and
- 18 e. a rental agreement preceding the date of application
19 for residential property located in this state.

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

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

5 13. All license applicants shall acquire a water use permit by
6 the Oklahoma Water Resources Board pursuant to Section 105.9 of
7 Title 82 of the Oklahoma Statutes prior to initiating a commercial
8 growing or processing operation;

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

- 12 a. front and back of an Oklahoma driver license,
- 13 b. front and back of an Oklahoma identification card,
- 14 c. a United States passport or other photo identification
15 issued by the United States government,
- 16 d. certified copy of the applicant's birth certificate
17 for minor applicants who do not possess a document
18 listed in this section, or
- 19 e. a tribal identification card approved for
20 identification purposes by the Oklahoma Department of
21 Public Safety; and

22 ~~14.~~ 15. All applicants shall submit an applicant photograph.

23 F. The Authority shall review the medical marijuana business
24 application, approve or reject the application and mail the
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1 approval, rejection or status-update letter to the applicant within
2 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 shall
8 act as proof of their approved status. Rejection letters shall
9 provide a reason for the rejection. Applications may only be
10 rejected based on the applicant not meeting the standards set forth
11 in the provisions of this section, improper completion of the
12 application or for a reason provided for in the Oklahoma Medical
13 Marijuana and Patient Protection Act. If an application is rejected
14 for failure to provide required information, the applicant shall
15 have thirty (30) days to submit the required information for
16 reconsideration. No additional application fee shall be charged for
17 such reconsideration.

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

22 4. Approval, rejection or status-update letters shall be sent
23 to the applicant in the same method the application was submitted to
24 the Authority.

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

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

4 2. A person who has been convicted of a nonviolent felony
5 within two (2) years of the date of application, or within five (5)
6 years for any other felony;

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

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

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

16 a. file taxes, interest or penalties due related to a
17 medical marijuana business, or

18 b. pay taxes, interest or penalties due related to a
19 medical marijuana business;

20 6. A sheriff, deputy sheriff, police officer or prosecuting
21 officer, or an officer or employee of the Authority or municipality;
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1 7. A person whose authority to be a caregiver as defined in the
2 Oklahoma Medical Marijuana and Patient Protection Act has been
3 revoked by the Authority.

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

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

19 K. All applicants shall submit information to the Authority in
20 a full, faithful, truthful and fair manner. The Authority may
21 recommend denial of an application where the applicant made
22 misstatements, omissions, misrepresentations or untruths in the
23 application or in connection with the background investigation of
24 the applicant. This type of conduct may be considered as the basis
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1 for additional administrative action against the applicant. Typos
2 and scrivener errors shall not be grounds for denial.

3 L. A licensed medical marijuana business premises shall ~~be~~be:

4 1. Be subject to and responsible for compliance with applicable
5 provisions for medical marijuana business facilities as described in
6 the most recent versions of the Oklahoma Uniform Building Code, the
7 International Building Code, and the International Fire Code, unless
8 granted an exemption by the Authority or municipality

9 2. Be subject to the application requirements for permitting
10 for water use by the Oklahoma Water Resources Board pursuant to
11 Section 105.9 of Title 82 of the Oklahoma Statutes if the licensee
12 engages in a commercial growing or processing operation. Upon
13 failure to receive a permit by the Water Resources Board after
14 ninety (90) days following initial application or denial of
15 application by the Water Resource Board, the Authority shall revoke
16 the medical marijuana business license.

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

21 N. An original medical marijuana business license issued on or
22 after June 26, 2018, by the Authority, for a medical marijuana
23 commercial grower, a medical marijuana processor or a medical
24 marijuana dispensary shall be deemed to have been grandfathered into

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

14 SECTION 2. This act shall become effective November 1, 2022.

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