

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

HOUSE BILL 3754

By: Fetgatter

AS INTRODUCED

An Act relating to marijuana; creating the Oklahoma Adult Access to Marijuana Act; defining terms; providing list of acts deemed lawful for consumers; providing list of acts deemed lawful for licensed medical marijuana dispensaries; establishing privacy protections; providing for the levy of an excise tax on sales; setting procedures for remittance; providing for the collection of state and local sales taxes; providing construing provisions; allowing employers to discipline, discharge, or take other actions against employees for workplace violations; providing construing provisions related to property owners, consumption on certain property, and privileges and rights of licensees; creating the Oklahoma Adult Access to Marijuana Revolving Fund; providing for the appropriation and expenditure of funds; directing the Oklahoma Medical Marijuana Authority to promulgate rules; amending 63 O.S. 2021, Sections 421, 422 and 423, which relate to business licenses for medical marijuana dispensaries, commercial growers, and processors; providing for adult access business licenses; stating fee for the license; providing procedures for approval, rejection, or denial of licenses; granting authority to conduct certain business transactions once licensed; amending 63 O.S. 2021, Section 427.14, which relates to the Oklahoma Medial Marijuana and Patient Protection Act; providing for adult access business licenses for certain medical marijuana business licensees; stating fee for the license; requiring compliance to general licensing requirements; directing the deposit of license fees into certain fund; providing for codification; and providing an effective date.

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

2 SECTION 1. NEW LAW A new section of law to be codified
3 in the Oklahoma Statutes as Section 441 of Title 63, unless there is
4 created a duplication in numbering, reads as follows:

5 This act shall be known and may be cited as the "Oklahoma Adult
6 Access to Marijuana Act".

7 SECTION 2. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 442 of Title 63, unless there is
9 created a duplication in numbering, reads as follows:

10 As used in this act:

11 1. "Authority" means the Oklahoma Medical Marijuana Authority;

12 2. "Consumer" means a person twenty-one (21) years of age or
13 older who purchases marijuana or marijuana products for his or her
14 own personal use, but not for resale to others;

15 3. "Government-issued identification" means a valid government-
16 issued driver license, government-issued photo identification card,
17 unexpired United States passport, or tribal citizenship
18 identification card;

19 4. "Marijuana" shall have the same meaning as such term is
20 defined in Section 2-101 of Title 63 of the Oklahoma Statutes and
21 shall also include delta-8 and delta-10 tetrahydrocannabinol with a
22 concentration in excess of three-tenths of one percent (0.03%) on a
23 dry weight basis;

24

1 5. "Marijuana accessories" means any equipment, products, or
2 materials of any kind which are used, intended for use or designed
3 for ingesting, inhaling, vaporizing, converting, or otherwise
4 consuming or using marijuana;

5 6. "Marijuana product" or "product" means any product that
6 contains marijuana, including marijuana extracted from plant
7 material or the resin therefrom by physical or chemical means, and
8 is intended for use or consumption including, but not limited to,
9 oils, tinctures, edibles, pills, topical forms, gels, creams,
10 vapors, patches, liquids, and forms administered by a nebulizer; and

11 7. "Medical marijuana dispensary" means an entity that has been
12 licensed by the Oklahoma Medical Marijuana Authority to:

- 13 a. purchase marijuana or marijuana products from licensed
14 medical marijuana commercial growers or licensed
15 medical marijuana processors,
- 16 b. sell or transfer products to another medical marijuana
17 dispensary, or
- 18 c. sell medical marijuana or medical marijuana products
19 to licensed medical marijuana patients, licensed
20 caregivers, or consumers.

21 SECTION 3. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 443 of Title 63, unless there is
23 created a duplication in numbering, reads as follows:

1 The following acts shall be deemed lawful and shall not be an
2 offense under Oklahoma law or the law of any political subdivision
3 within this state or be a basis for seizure or forfeiture of assets
4 under Oklahoma law for persons twenty-one (21) years of age or
5 older:

6 1. Possessing, using, displaying, purchasing or transporting
7 marijuana accessories or one (1) ounce or less of marijuana;

8 2. Transfer of one (1) ounce or less of marijuana without
9 remuneration to a person who is twenty-one (21) years of age or
10 older;

11 3. Consumption of marijuana; provided that nothing in this
12 section shall permit consumption that is conducted openly, publicly,
13 or in a manner that endangers others. Furthermore, all smokeable,
14 vaporized, vapable, and e-cigarette marijuana products inhaled
15 through vaporization or smoked by a person are subject to the same
16 restrictions for tobacco under Sections 1-1521 through 1-1532 of
17 Title 63 of the Oklahoma Statutes commonly referred to as the
18 Smoking in Public Places and Indoor Workplaces Act; or

19 4. Assisting another person who is twenty-one (21) years of age
20 or older in any of the acts described in paragraphs 1 through 3 of
21 this section.

22 SECTION 4. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 444 of Title 63, unless there is
24 created a duplication in numbering, reads as follows:

1 The following acts shall be deemed lawful and shall not be an
2 offense under Oklahoma law or be a basis for seizure or forfeiture
3 of assets under Oklahoma law:

4 1. The sale of marijuana or marijuana products by a licensed
5 medical marijuana dispensary to a person, upon presentment of
6 government-issued identification, who is twenty-one (21) years of
7 age or older and who does not possess an Oklahoma medical marijuana
8 patient license;

9 2. The purchase of marijuana or marijuana products by a medical
10 marijuana dispensary from a person or entity that holds a valid
11 medical marijuana business license issued by the Oklahoma Medical
12 Marijuana Authority for retail sale to persons twenty-one (21) years
13 of age or older; provided that, such dispensary holds a valid
14 license to operate a medical marijuana dispensary issued by the
15 Oklahoma Medical Marijuana Authority; or

16 3. Leasing or otherwise allowing the use of property owned,
17 occupied, or controlled by any person, corporation, or other entity
18 for any of the activities conducted lawfully in accordance with
19 paragraphs 1 and 2 of this section.

20 SECTION 5. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 445 of Title 63, unless there is
22 created a duplication in numbering, reads as follows:

23 In order to ensure that individual privacy is protected, the
24 Oklahoma Medical Marijuana Authority shall not require a consumer to

1 provide a licensed medical marijuana dispensary with personal
2 information other than government-issued identification to determine
3 the age of the consumer. In addition, the licensed medical
4 marijuana dispensary shall not be required to acquire and record
5 personal information about consumers other than information
6 typically acquired in a financial transaction conducted at a retail
7 establishment.

8 SECTION 6. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 446 of Title 63, unless there is
10 created a duplication in numbering, reads as follows:

11 A. An excise tax of fifteen percent (15%) is hereby levied and
12 imposed upon all marijuana or marijuana products sold by a licensed
13 medical marijuana dispensary to any person twenty-one (21) years of
14 age or older who does not possess a valid medical marijuana patient
15 license or valid caregiver license issued by the Oklahoma Medical
16 Marijuana Authority.

17 B. For purposes of this section, the sale of marijuana or
18 marijuana products shall include the sale of any item, membership,
19 voucher, coupon, or other redeemable product which can be, at any
20 time, exchanged, converted, used, or otherwise presented to a
21 medical marijuana dispensary in order to receive marijuana or
22 marijuana products.

23 C. The excise tax shall be calculated based on the gross sales
24 price of the marijuana or marijuana products prior to any discounts

1 being applied including discounts associated with the purchase of
2 any other product.

3 D. The due and payable excise tax levied by this section shall
4 be remitted to the Oklahoma Tax Commission using procedures
5 prescribed by the Tax Commission. All monies collected under the
6 provisions of this act shall be transmitted monthly to the State
7 Treasurer of the State of Oklahoma to be placed to the credit of the
8 General Revenue Fund of the state, to be paid out only pursuant to
9 direct appropriations of the Legislature.

10 E. The retail sale of marijuana or marijuana products shall be
11 subject to the Oklahoma Sales Tax Code and to any municipal or
12 county sales taxes.

13 SECTION 7. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 447 of Title 63, unless there is
15 created a duplication in numbering, reads as follows:

16 A. Nothing in this act shall be construed to allow driving
17 under the influence of marijuana, driving while impaired by
18 marijuana, or to supersede statutory laws related to driving under
19 the influence of marijuana or driving while impaired by marijuana.

20 B. Nothing in this act shall be construed to permit the
21 transfer of marijuana, with or without remuneration, to a person
22 under twenty-one (21) years of age or to allow a person under
23 twenty-one (21) years of age to purchase, possess, use, transport,
24 or consume marijuana.

1 C. Nothing in this act shall require an employer to permit or
2 accommodate conduct otherwise allowed by this act in any workplace
3 or on the property of the employer. This act does not prohibit an
4 employer from disciplining an employee for violation of a workplace
5 drug policy or for working while under the influence of marijuana.
6 This act does not prevent an employer from refusing to hire,
7 discharging, disciplining, or otherwise taking an adverse employment
8 action against a person with respect to hire, tenure, terms,
9 conditions, or privileges of employment because of a violation by
10 the person of a workplace drug policy or because the person was
11 working while under the influence of marijuana.

12 D. Nothing in this act shall be construed to prohibit a person
13 from regulating the consumption, sale, or display of marijuana and
14 marijuana products on property the person owns, occupies, or
15 manages.

16 E. Nothing in this act shall be construed to allow for the
17 consumption of marijuana or possession of marijuana or marijuana
18 products on the grounds of any public or private elementary school,
19 public or private secondary school, or any public or private
20 college, university, or technology center school.

21 F. Nothing in this act shall be construed to limit or otherwise
22 impact any privileges or rights of a licensed medical marijuana
23 patient, licensed caregiver, or licensed medical marijuana business
24 as provided in Sections 420 through 426.1 of Title 63 of the

1 Oklahoma Statutes and the Oklahoma Medical Marijuana and Patient
2 Protection Act.

3 SECTION 8. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 448 of Title 63, unless there is
5 created a duplication in numbering, reads as follows:

6 There is hereby created in the State Treasury a revolving fund
7 for the Oklahoma Medical Marijuana Authority to be designated the
8 "Oklahoma Adult Access to Marijuana Revolving Fund". The fund shall
9 be a continuing fund, not subject to fiscal year limitations, and
10 shall consist of all monies received by the Authority from adult
11 access business license fees and collected pursuant to Sections 421,
12 422, 423, and 427.14 of Title 63 of the Oklahoma Statutes. All
13 monies accruing to the credit of the fund are hereby appropriated
14 and may be budgeted and expended by the Authority, in the following
15 manner:

16 1. Twenty-five percent (25%) of the fees collected shall be
17 used by the Authority for the implementation and maintenance of an
18 inventory tracking system as provided for in the Oklahoma Medical
19 Marijuana and Patient Protection Act; and

20 2. Seventy-five percent (75%) shall be distributed and credited
21 to the General Revenue Fund of the state.

22 SECTION 9. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 449 of Title 63, unless there is
24 created a duplication in numbering, reads as follows:

1 The Oklahoma Medical Marijuana Authority shall promulgate rules
2 to implement the provisions of Sections 1 through 7 of this act.

3 SECTION 10. AMENDATORY 63 O.S. 2021, Section 421, is
4 amended to read as follows:

5 Section 421. A. The State Department of Health shall, within
6 thirty (30) days of passage of this initiative, make available on
7 its website in an easy-to-find location an application for a medical
8 marijuana dispensary license. The application fee shall be Two
9 Thousand Five Hundred Dollars (\$2,500.00). A method of payment
10 shall be provided on the website of the Department. Dispensary
11 applicants must all be residents of Oklahoma. Any entity applying
12 for a dispensary license must be owned by an Oklahoma resident and
13 must be registered to do business in Oklahoma. The Department shall
14 have ninety (90) business days to review the application; approve,
15 reject or deny the application; and mail the approval, rejection or
16 denial letter stating reasons for the rejection or denial to the
17 applicant.

18 B. The State Department of Health shall approve all
19 applications which meet the following criteria:

20 1. The applicant must be twenty-five (25) years of age or
21 older;

22 2. The applicant, if applying as an individual, must show
23 residency in the State of Oklahoma;

1 3. All applying entities must show that all members, managers,
2 and board members are Oklahoma residents;

3 4. An applying entity may show ownership of non-Oklahoma
4 residents, but that percentage ownership may not exceed twenty-five
5 percent (25%);

6 5. All applying individuals or entities must be registered to
7 conduct business in the State of Oklahoma; and

8 6. All applicants must disclose all ownership interests in the
9 dispensary.

10 Applicants with a nonviolent felony conviction in the last two
11 (2) years, any other felony conviction in the last five (5) years,
12 inmates in the custody of the Department of Corrections or any
13 person currently incarcerated shall not qualify for a medical
14 marijuana dispensary license.

15 C. Licensed medical marijuana dispensaries shall be required to
16 complete a monthly sales report to the State Department of Health.
17 This report shall be due on the fifteenth of each month and provide
18 reporting on the previous month. This report shall detail the
19 weight of marijuana purchased at wholesale and the weight of
20 marijuana sold to licensed medical marijuana patients and licensed
21 caregivers and account for any waste. The report shall show total
22 sales in dollars, tax collected in dollars, and tax due in dollars.
23 The State Department of Health shall have oversight and auditing
24

responsibilities to ensure that all marijuana being grown is accounted for.

D. Only a licensed medical marijuana dispensary may conduct retail sales of marijuana or marijuana derivatives.

E. 1. Upon the effective date of this act, a licensed medical marijuana dispensary may apply for an adult access business license. The fee for the adult access business license shall be Twenty-five Thousand Dollars (\$25,000.00). The Department shall have ninety (90) business days to review the application; approve, reject or deny the application; and mail the approval, rejection or denial letter stating reasons for the rejection or denial to the applicant.

2. Once the application for an adult access business license is approved, the licensed medical marijuana dispensary may conduct retail sales of marijuana or marijuana products to persons twenty-one (21) years of age or older in accordance with the provisions of Sections 1 through 9 of this act.

F. Beginning on the effective date of this act, licensed medical marijuana dispensaries shall be authorized to package and sell pre-rolled marijuana to licensed medical marijuana patients and, licensed caregivers, and members of the public. The products described in this subsection shall contain only the ground parts of the marijuana plant and shall not include marijuana concentrates or derivatives. The total net weight of each pre-roll packaged and sold by a medical marijuana dispensary shall not exceed one (1)

1 gram. These products shall be tested, packaged and labeled in
2 accordance with Oklahoma law and rules promulgated by the State
3 Commissioner of Health.

4 ~~E.~~ G. No medical marijuana dispensary shall offer or allow a
5 medical marijuana patient licensee, caregiver licensee or other
6 member of the public to handle or otherwise have physical contact
7 with any medical marijuana not contained in a sealed or separate
8 package. Provided, such prohibition shall not preclude an employee
9 of the medical marijuana dispensary from handling loose or
10 nonpackaged medical marijuana to be placed in packaging consistent
11 with the Oklahoma Medical Marijuana and Patient Protection Act and
12 the rules promulgated by the Authority for the packaging of medical
13 marijuana for retail sale. Provided, further, such prohibition
14 shall not prevent a medical marijuana dispensary from displaying
15 samples of its medical marijuana in separate display cases, jars or
16 other containers and allowing medical marijuana patient licensees
17 ~~and, caregiver licensees, and members of the public~~ the ability to
18 handle or smell the various samples as long as the sample medical
19 marijuana is used for display purposes only and is not offered for
20 retail sale.

21 SECTION 11. AMENDATORY 63 O.S. 2021, Section 422, is
22 amended to read as follows:

23 Section 422. A. The State Department of Health shall, within
24 thirty (30) days of passage of this initiative, make available on

1 its website in an easy-to-find location an application for a
2 commercial grower license. The application fee shall be Two
3 Thousand Five Hundred Dollars (\$2,500.00). A method of payment
4 shall be provided on the website of the Department. The State
5 Department of Health shall have ninety (90) days to review the
6 application; approve, reject or deny the application; and mail the
7 approval, rejection or denial letter stating the reasons for the
8 rejection or denial to the applicant.

9 B. The State Department of Health shall approve all
10 applications which meet the following criteria:

11 1. The applicant must be twenty-five (25) years of age or
12 older;

13 2. The applicant, if applying as an individual, must show
14 residency in the State of Oklahoma;

15 3. All applying entities must show that all members, managers,
16 and board members are Oklahoma residents;

17 4. An applying entity may show ownership of non-Oklahoma
18 residents, but that percentage ownership may not exceed twenty-five
19 percent (25%);

20 5. All applying individuals or entities must be registered to
21 conduct business in the State of Oklahoma; and

22 6. All applicants must disclose all ownership interests in the
23 commercial grower operation.

24

1 Applicants with a nonviolent felony conviction in the last two
2 (2) years, any other felony conviction in the last five (5) years,
3 inmates in the custody of the Department of Corrections or any
4 person currently incarcerated shall not qualify for a commercial
5 grower license.

6 C. A licensed commercial grower may sell marijuana to a
7 licensed dispensary or a licensed processor. Further, sales by a
8 licensed commercial grower shall be considered wholesale sales and
9 shall not be subject to taxation. Under no circumstances may a
10 licensed commercial grower sell marijuana directly to a licensed
11 medical marijuana patient or licensed caregiver. A licensed
12 commercial grower may only sell at the wholesale level to a licensed
13 dispensary, a licensed grower or a licensed processor. If the
14 federal government lifts restrictions on buying and selling
15 marijuana between states, then a licensed commercial grower would be
16 allowed to sell and buy marijuana wholesale from, or to, an out-of-
17 state wholesale provider. A licensed commercial grower shall be
18 required to complete a monthly yield and sales report to the State
19 Department of Health. This report shall be due on the fifteenth of
20 each month and provide reporting on the previous month. This report
21 shall detail the amount of marijuana harvested in pounds, the amount
22 of drying or dried marijuana on hand, the amount of marijuana sold
23 to licensed processors in pounds, the amount of waste in pounds, and
24 the amount of marijuana sold to licensed dispensaries in pounds.

1 Additionally, this report shall show total wholesale sales in
2 dollars. The State Department of Health shall have oversight and
3 auditing responsibilities to ensure that all marijuana being grown
4 by licensed commercial growers is accounted for.

5 D. There shall be no limits on how much marijuana a licensed
6 commercial grower can grow.

7 E. Beginning on the effective date of this act, licensed
8 commercial growers shall be authorized to package and sell pre-
9 rolled marijuana to licensed medical marijuana dispensaries. The
10 products described in this subsection shall contain only the ground
11 parts of the marijuana plant and shall not include marijuana
12 concentrates or derivatives. The total net weight of each pre-roll
13 packaged and sold by medical marijuana commercial growers shall not
14 exceed one (1) gram. These products must be tested, packaged and
15 labeled in accordance with Oklahoma law and rules promulgated by the
16 State Commissioner of Health.

17 F. 1. Beginning September 1, 2022, a licensed medical
18 marijuana commercial grower may apply for an adult access business
19 license. The fee for the adult access business license shall be
20 Twenty-five Thousand Dollars (\$25,000.00). The Department shall
21 have ninety (90) business days to review the application; approve,
22 reject or deny the application; and mail the approval, rejection or
23 denial letter stating reasons for the rejection or denial to the
24 applicant.

1 2. Once the application for an adult access business license is
2 approved, the licensed medical marijuana commercial grower may sell
3 marijuana to dispensaries and processors who have a valid adult
4 access business license.

5 SECTION 12. AMENDATORY 63 O.S. 2021, Section 423, is
6 amended to read as follows:

7 Section 423. A. The State Department of Health shall, within
8 thirty (30) days of passage of this initiative, make available on
9 its website in an easy-to-find location an application for a medical
10 marijuana processing license. The Department shall be authorized to
11 issue two types of medical marijuana processor licenses based on the
12 level of risk posed by the type of processing conducted:

- 13 1. Nonhazardous medical marijuana processor license; and
- 14 2. Hazardous medical marijuana processor license.

15 The application fee for a nonhazardous or hazardous medical
16 marijuana processor license shall be Two Thousand Five Hundred
17 Dollars (\$2,500.00). A method of payment shall be provided on the
18 website of the Department. The State Department of Health shall
19 have ninety (90) days to review the application; approve, reject or
20 deny the application; and mail the approval, rejection or denial
21 letter stating the reasons for the rejection or denial to the
22 applicant.

23 B. The State Department of Health shall approve all
24 applications which meet the following criteria:

1 1. The applicant must be twenty-five (25) years of age or
2 older;

3 2. The applicant, if applying as an individual, must show
4 residency in the State of Oklahoma;

5 3. All applying entities must show that all members, managers,
6 and board members are Oklahoma residents;

7 4. An applying entity may show ownership of non-Oklahoma
8 residents, but that percentage ownership may not exceed twenty-five
9 percent (25%);

10 5. All applying individuals or entities must be registered to
11 conduct business in the State of Oklahoma; and

12 6. All applicants must disclose all ownership interests in the
13 processing operation.

14 Applicants with a nonviolent felony conviction in the last two
15 (2) years, any other felony conviction in the last five (5) years,
16 inmates in the custody of the Department of Corrections or any
17 person currently incarcerated shall not qualify for a medical
18 marijuana processing license.

19 C. 1. A licensed processor may take marijuana plants and
20 distill or process these plants into concentrates, edibles, and
21 other forms for consumption.

22 2. As required by subsection D of this section, the State
23 Department of Health shall, within sixty (60) days of passage of
24 this initiative, make available a set of standards which shall be

1 used by licensed processors in the preparation of edible marijuana
2 products. The standards should be in line with current food
3 preparation guidelines. No excessive or punitive rules may be
4 established by the State Department of Health.

5 3. Up to two times a year, the State Department of Health may
6 inspect a processing operation and determine its compliance with the
7 preparation standards. If deficiencies are found, a written report
8 of the deficiency shall be issued to the licensed processor. The
9 licensed processor shall have one (1) month to correct the
10 deficiency or be subject to a fine of Five Hundred Dollars (\$500.00)
11 for each deficiency.

12 4. A licensed processor may sell marijuana products it creates
13 to a licensed dispensary or any other licensed processor. All sales
14 by a licensed processor shall be considered wholesale sales and
15 shall not be subject to taxation.

16 5. Under no circumstances may a licensed processor sell
17 marijuana or any marijuana product directly to a licensed medical
18 marijuana patient or licensed caregiver. However, a licensed
19 processor may process cannabis into a concentrated form for a
20 licensed medical marijuana patient for a fee.

21 6. Licensed processors shall be required to complete a monthly
22 yield and sales report to the State Department of Health. This
23 report shall be due on the fifteenth of each month and shall provide
24 reporting on the previous month. This report shall detail the

1 amount of marijuana and medical marijuana products purchased in
2 pounds, the amount of marijuana cooked or processed in pounds, and
3 the amount of waste in pounds. Additionally, this report shall show
4 total wholesale sales in dollars. The State Department of Health
5 shall have oversight and auditing responsibilities to ensure that
6 all marijuana being processed is accounted for.

7 D. The Department shall oversee the inspection and compliance
8 of licensed processors producing products with marijuana as an
9 additive. The State Department of Health shall be compelled to,
10 within thirty (30) days of passage of this initiative, appoint
11 twelve (12) Oklahoma residents to the Medical Marijuana Advisory
12 Council, who are marijuana industry experts, to create a list of
13 food safety standards for processing and handling medical marijuana
14 in Oklahoma. These standards shall be adopted by the Department and
15 the Department may enforce these standards for licensed processors.
16 The Department shall develop a standards review procedure and these
17 standards can be altered by calling another council of twelve (12)
18 Oklahoma marijuana industry experts. A signed letter of twenty
19 operating, licensed processors shall constitute a need for a new
20 council and standards review.

21 E. If it becomes permissible under federal law, marijuana may
22 be moved across state lines.

23 F. Any device used for the processing or consumption of medical
24 marijuana shall be considered legal to be sold, manufactured,

distributed and possessed. No merchant, wholesaler, manufacturer or individual may be unduly harassed or prosecuted for selling, manufacturing or possessing marijuana paraphernalia.

G. 1. Beginning September 1, 2022, a licensed medical marijuana processor may apply for an adult access business license. The fee for the adult access business license shall be Twenty-five Thousand Dollars (\$25,000.00). The Department shall have ninety (90) business days to review the application; approve, reject or deny the application; and mail the approval, rejection or denial letter stating reasons for the rejection or denial to the applicant.

2. Once the application for an adult access business license is approved, the licensed medical marijuana processor may sell marijuana products it creates to dispensaries and other licensed processors who have a valid adult access business license.

SECTION 13. 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

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

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

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

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

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

22 4. All applications shall be complete and accurate in every
23 detail;
24

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.
24

1 P. 1. Beginning September 1, 2022, the Authority shall make
2 available on its website in an easy-to-find location, applications
3 for an adult access business license for the following medical
4 marijuana business licensees:

- 5 a. medical marijuana dispensary,
- 6 b. medical marijuana processor,
- 7 c. medical marijuana commercial grower, and
- 8 d. medical marijuana transporter.

9 2. The annual, nonrefundable application fee for an adult
10 access business license shall be Twenty-five Thousand Dollars
11 (\$25,000.00). All fees collected for adult access business licenses
12 shall be deposited into the Oklahoma Adult Access to Marijuana
13 Revolving Fund as provided for in Section 8 of this act.

14 3. All applicants seeking an adult access business license
15 shall comply with the general requirements provided for in the
16 provisions of this section.

17 SECTION 14. This act shall become effective September 1, 2022.

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