

**COMMITTEE AMENDMENT**

HOUSE OF REPRESENTATIVES

State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB3362 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by  
inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Amendment submitted by: TJ Marti

Adopted: \_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

PROPOSED COMMITTEE  
SUBSTITUTE  
FOR  
HOUSE BILL NO. 3362

By: Marti

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to medical marijuana; amending 63 O.S. 2021, Section 427.14, as last amended by Section 7, Chapter 322, O.S.L. 2023 (63 O.S. Supp. 2023, Section 427.14), which relates to the Oklahoma Medical Marijuana and Patient Protection Act; requiring certain applicants for a medical marijuana business license to submit information related to power sources and water usage; 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 7, Chapter 322, O.S.L. 2023 (63 O.S. Supp. 2023, 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;

1       4. Medical marijuana transporter; and

2       5. Medical marijuana testing laboratory.

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

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

9       D. 1. The annual, nonrefundable fee for a medical marijuana  
10 transporter license shall be Two Thousand Five Hundred Dollars  
11 (\$2,500.00).

12       2. The initial, nonrefundable fee for a medical marijuana  
13 commercial grower license shall be calculated based upon the total  
14 amount of square feet of canopy or acres the grower estimates will  
15 be harvested, transferred, or sold for the year. The annual,  
16 nonrefundable license fee shall be based upon the total amount of  
17 square feet of canopy or acres harvested, transferred, or sold by  
18 the grower during the previous twelve (12) months. The amount of  
19 the fees shall be determined as follows:

20           a. For an indoor, greenhouse, or light deprivation  
21 medical marijuana grow facility:

22               (1) Tier 1: Up to ten thousand (10,000) square feet  
23 of canopy, the fee shall be Two Thousand Five  
24 Hundred Dollars (\$2,500.00),

- 1 (2) Tier 2: Ten thousand one (10,001) square feet of  
2 canopy to twenty thousand (20,000) square feet of  
3 canopy, the fee shall be Five Thousand Dollars  
4 (\$5,000.00),
- 5 (3) Tier 3: Twenty thousand one (20,001) square feet  
6 of canopy to forty thousand (40,000) square feet  
7 of canopy, the fee shall be Ten Thousand Dollars  
8 (\$10,000.00),
- 9 (4) Tier 4: Forty thousand one (40,001) square feet  
10 of canopy to sixty thousand (60,000) square feet  
11 of canopy, the fee shall be Twenty Thousand  
12 Dollars (\$20,000.00),
- 13 (5) Tier 5: Sixty thousand one (60,001) square feet  
14 of canopy to eighty thousand (80,000) square feet  
15 of canopy, the fee shall be Thirty Thousand  
16 Dollars (\$30,000.00),
- 17 (6) Tier 6: Eighty thousand one (80,001) square feet  
18 of canopy to ninety-nine thousand nine hundred  
19 ninety-nine (99,999) square feet of canopy, the  
20 fee shall be Forty Thousand Dollars (\$40,000.00),  
21 and
- 22 (7) Tier 7: One hundred thousand (100,000) square  
23 feet of canopy and beyond, the fee shall be Fifty  
24 Thousand Dollars (\$50,000.00), plus an additional

twenty-five cents (\$0.25) per square foot of canopy over one hundred thousand (100,000) square feet.

b. For an outdoor medical marijuana grow facility:

- (1) Tier 1: Less than two and one-half (2 1/2) acres, the fee shall be Two Thousand Five Hundred Dollars (\$2,500.00),
- (2) Tier 2: More than two and one-half (2 1/2) acres up to five (5) acres, the fee shall be Five Thousand Dollars (\$5,000.00),
- (3) Tier 3: More than five (5) acres up to ten (10) acres, the fee shall be Ten Thousand Dollars (\$10,000.00),
- (4) Tier 4: More than ten (10) acres up to twenty (20) acres, the fee shall be Twenty Thousand Dollars (\$20,000.00),
- (5) Tier 5: More than twenty (20) acres up to thirty (30) acres, the fee shall be Thirty Thousand Dollars (\$30,000.00),
- (6) Tier 6: More than thirty (30) acres up to forty (40) acres, the fee shall be Forty Thousand Dollars (\$40,000.00),

1 (7) Tier 7: More than forty (40) acres up to fifty  
2 (50) acres, the fee shall be Fifty Thousand  
3 Dollars (\$50,000.00), and

4 (8) Tier 8: If the amount of acreage exceeds fifty  
5 (50) acres, the fee shall be Fifty Thousand  
6 Dollars (\$50,000.00) plus an additional Two  
7 Hundred Fifty Dollars (\$250.00) per acre.

8 c. For a medical marijuana commercial grower that has a  
9 combination of both indoor and outdoor growing  
10 facilities at one location, the medical marijuana  
11 commercial grower shall be required to obtain a  
12 separate license from the Authority for each type of  
13 grow operation and shall be subject to the licensing  
14 fees provided for in subparagraphs a and b of this  
15 paragraph.

16 d. As used in this paragraph:

17 (1) "canopy" means the total surface area within a  
18 cultivation area that is dedicated to the  
19 cultivation of flowering marijuana plants. The  
20 surface area of the plant canopy must be  
21 calculated in square feet and measured and must  
22 include all of the area within the boundaries  
23 where the cultivation of the flowering marijuana  
24 plants occurs. If the surface of the plant

1 canopy consists of noncontiguous areas, each  
2 component area must be separated by identifiable  
3 boundaries. If a tiered or shelving system is  
4 used in the cultivation area, the surface area of  
5 each tier or shelf must be included in  
6 calculating the area of the plant canopy.  
7 Calculation of the area of the plant canopy may  
8 not include the areas within the cultivation area  
9 that are used to cultivate immature marijuana  
10 plants and seedlings, prior to flowering, and  
11 that are not used at any time to cultivate mature  
12 marijuana plants. If the flowering plants are  
13 vertically grown in cylinders, the square footage  
14 of the canopy shall be measured by the  
15 circumference of the cylinder multiplied by the  
16 total length of the cylinder,

17 (2) "greenhouse" means a structure located outdoors  
18 that is completely covered by a material that  
19 allows a controlled level of light transmission,  
20 and

21 (3) "light deprivation" means a structure that has  
22 concrete floors and the ability to manipulate  
23 natural light.  
24

1        3. The initial, nonrefundable fee for a medical marijuana  
2 processor license shall be Two Thousand Five Hundred Dollars  
3 (\$2,500.00). The annual, nonrefundable license fee for a medical  
4 marijuana processor license shall be determined based on the  
5 previous twelve (12) months as follows:

6            a. Tier 1: The transfer or sale of zero (0) to ten  
7                    thousand (10,000) pounds of biomass or the production,  
8                    transfer, or sale of up to one hundred (100) liters of  
9                    cannabis concentrate, whichever is greater, the annual  
10                   fee shall be Two Thousand Five Hundred Dollars  
11                   (\$2,500.00),

12           b. Tier 2: The transfer or sale of ten thousand one  
13                    (10,001) pounds to fifty thousand (50,000) pounds of  
14                    biomass or the production, transfer, or sale of one  
15                    hundred one (101) to three hundred fifty (350) liters  
16                    of cannabis concentrate, whichever is greater, the  
17                    annual fee shall be Five Thousand Dollars (\$5,000.00),

18           c. Tier 3: The transfer or sale of fifty thousand one  
19                    (50,001) pounds to one hundred fifty thousand  
20                    (150,000) pounds of biomass or the production,  
21                    transfer, or sale of three hundred fifty-one (351) to  
22                    six hundred fifty (650) liters of cannabis  
23                    concentrate, whichever is greater, the annual fee  
24                    shall be Ten Thousand Dollars (\$10,000.00),



- 1           d.   Tier 4: The transfer or sale of one hundred fifty  
2           thousand one (150,001) pounds to three hundred  
3           thousand (300,000) pounds of biomass or the  
4           production, transfer, or sale of six hundred fifty-one  
5           (651) to one thousand (1,000) liters of cannabis  
6           concentrate, whichever is greater, the annual fee  
7           shall be Fifteen Thousand Dollars (\$15,000.00), and  
8           e.   Tier 5: The transfer or sale of more than three  
9           hundred thousand one (300,001) pounds of biomass or  
10          the production, transfer, or sale in excess of one  
11          thousand one (1,001) liters of cannabis concentrate,  
12          the annual fee shall be Twenty Thousand Dollars  
13          (\$20,000.00).

14          For purposes of this paragraph only, if the cannabis concentrate  
15          is in nonliquid form, every one thousand (1,000) grams of  
16          concentrated marijuana shall be calculated as one (1) liter of  
17          cannabis concentrate.

18          4.   The initial, nonrefundable fee for a medical marijuana  
19          dispensary license shall be Two Thousand Five Hundred Dollars  
20          (\$2,500.00). The annual, nonrefundable license fee for a medical  
21          marijuana dispensary license shall be calculated at ten percent  
22          (10%) of the sum of twelve (12) calendar months of the combined  
23          annual state sales tax and state excise tax of the dispensary during  
24          the previous twelve (12) months. The minimum fee shall be not less

1 than Two Thousand Five Hundred Dollars (\$2,500.00) and the maximum  
2 fee shall not exceed Ten Thousand Dollars (\$10,000.00).

3 5. The annual, nonrefundable license fee for a medical  
4 marijuana testing laboratory shall be Twenty Thousand Dollars  
5 (\$20,000.00).

6 E. All applicants seeking licensure or licensure renewal as a  
7 medical marijuana business shall comply with the following general  
8 requirements:

9 1. All applications for licenses and registrations authorized  
10 pursuant to this section shall be made upon forms prescribed by the  
11 Authority;

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

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

17 4. All applications shall be complete and accurate in every  
18 detail;

19 5. All applications shall include all attachments or  
20 supplemental information required by the forms supplied by the  
21 Authority;

22 6. All applications for a transporter license, initial  
23 dispensary license, initial processor license, or laboratory license  
24 shall be accompanied by a full remittance for the whole amount of

1 the license fee as set forth in subsection D of this section. All  
2 submissions of grower applications, renewal processor applications,  
3 and renewal dispensary applications shall be accompanied by a  
4 remittance of a fee of Two Thousand Five Hundred Dollars  
5 (\$2,500.00). The Authority shall invoice license applicants, if  
6 applicable, for any additional licensing fees owed pursuant to  
7 subsection D of this section prior to approval of a license  
8 application. License fees are nonrefundable;

9 7. All applicants shall be approved for licensing review that,  
10 at a minimum, meet the following criteria:

- 11 a. twenty-five (25) years of age or older,
- 12 b. if applying as an individual, proof that the applicant  
13 is an Oklahoma resident pursuant to paragraph 11 of  
14 this subsection,
- 15 c. if applying as an entity, proof that seventy-five  
16 percent (75%) of all members, managers, executive  
17 officers, partners, board members or any other form of  
18 business ownership are Oklahoma residents pursuant to  
19 paragraph 11 of this subsection,
- 20 d. if applying as an individual or entity, proof that the  
21 individual or entity is registered to conduct business  
22 in this state,

- 1 e. disclosure of all ownership interests pursuant to the  
2 Oklahoma Medical Marijuana and Patient Protection Act,  
3 and  
4 f. proof that the medical marijuana business, medical  
5 marijuana research facility, medical marijuana  
6 education facility and medical marijuana waste  
7 disposal facility applicant or licensee has not been  
8 convicted of a nonviolent felony in the last two (2)  
9 years, or any other felony conviction within the last  
10 five (5) years, is not a current inmate in the custody  
11 of the Department of Corrections, or currently  
12 incarcerated in a jail or corrections facility.

13 Upon reasonable suspicion that a medical marijuana business licensee  
14 is illegally growing, processing, transferring, selling, disposing,  
15 or diverting marijuana, the Authority, the Oklahoma State Bureau of  
16 Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of  
17 Investigation, or the Attorney General may subpoena documents  
18 necessary to establish the personal identifying information of all  
19 owners and individuals with any ownership interest in the business;

20 8. There shall be no limit to the number of medical marijuana  
21 business licenses or categories that an individual or entity can  
22 apply for or receive, although each application and each category  
23 shall require a separate application, application fee, or license  
24 fee. A commercial grower, processor and dispensary, or any

1 combination thereof, are authorized to share the same address or  
2 physical location, subject to the restrictions set forth in the  
3 Oklahoma Medical Marijuana and Patient Protection Act;

4 9. All applicants for a medical marijuana business license,  
5 research facility license or education facility license authorized  
6 by the Oklahoma Medical Marijuana and Patient Protection Act, or for  
7 a renewal of such license, shall undergo a national fingerprint-  
8 based background check conducted by the Oklahoma State Bureau of  
9 Investigation (OSBI) within thirty (30) days prior to the  
10 application for the license, including:

- 11 a. individual applicants applying on their own behalf,
- 12 b. individuals applying on behalf of an entity,
- 13 c. all principal officers of an entity, and
- 14 d. all owners of an entity as defined by the Oklahoma  
15 Medical Marijuana and Patient Protection Act;

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

19 11. In order to be considered an Oklahoma resident for purposes  
20 of a medical marijuana business application, all applicants shall  
21 provide proof of Oklahoma residency for at least two (2) years  
22 immediately preceding the date of application or five (5) years of  
23 continuous Oklahoma residency during the preceding twenty-five (25)  
24 years immediately preceding the date of application. Sufficient

1 documentation of proof of residency shall include a combination of  
2 the following:

- 3 a. an unexpired Oklahoma-issued driver license,
- 4 b. an Oklahoma identification card,
- 5 c. a utility bill preceding the date of application,
- 6 excluding cellular telephone and Internet bills,
- 7 d. a residential property deed to property in this state,
- 8 and
- 9 e. a rental agreement preceding the date of application
- 10 for residential property located in this state.

11 Applicants that were issued a medical marijuana business license  
12 prior to August 30, 2019, are hereby exempt from the two-year or  
13 five-year Oklahoma residence requirement mentioned above;

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

18 13. All applicants shall establish their identity through  
19 submission of a color copy or digital image of one of the following  
20 unexpired documents:

- 21 a. front of an Oklahoma driver license,
- 22 b. front of an Oklahoma identification card,
- 23 c. a United States passport or other photo identification
- 24 issued by the United States government, or

d. a tribal identification card approved for identification purposes by the Department of Public Safety; ~~and~~

14. All applicants shall submit an applicant photograph; and

15. If the applicant is applying for a medical marijuana commercial grower license, the applicant shall also submit the following:

a. for indoor and mixed-light cultivation, identification of all power sources for cultivation activities including, but not limited to, illumination, heating, cooling, and ventilation,

b. if the applicant is proposing to use a diversion from a waterbody, groundwater well, or rain catchment system as a water source for cultivation, the applicant shall include the following locations on the property diagram with locations also provided as coordinates in either latitude and longitude or the Oklahoma Coordinate System:

(1) sources of water used, including the location of waterbody diversion, pump location, and distribution system, and

(2) location, type, and capacity of each storage unit to be used for cultivation, and

1           c. a proposed cultivation plan, which shall include  
2           identification of all water sources used for  
3           cultivation activities.

4           F. The Authority shall review the medical marijuana business  
5 application; approve, reject, or deny the application; and send the  
6 approval, rejection, denial, or status-update letter to the  
7 applicant in the same method the application was submitted to the  
8 Authority within ninety (90) business days of receipt of the  
9 application.

10          G. 1. The Authority shall review the medical marijuana  
11 business applications, conduct all investigations, inspections, and  
12 interviews, and collect all license and application fees before  
13 approving the application.

14          2. Approved applicants shall be issued a medical marijuana  
15 business license for the specific category applied under, which  
16 shall act as proof of their approved status. Rejection and denial  
17 letters shall provide a reason for the rejection or denial.  
18 Applications may only be rejected or denied based on the applicant  
19 not meeting the standards set forth in the provisions of the  
20 Oklahoma Medical Marijuana and Patient Protection Act and Sections  
21 420 through 426.1 of this title, improper completion of the  
22 application, unpaid license or application fees, or for a reason  
23 provided for in the Oklahoma Medical Marijuana and Patient  
24 Protection Act and Sections 420 through 426.1 of this title. If an



1 application is rejected for failure to provide required information,  
2 the applicant shall have thirty (30) days to submit the required  
3 information for reconsideration. Unless the Authority determines  
4 otherwise, an application that has been resubmitted but is still  
5 incomplete or contains errors that are not clerical or typographical  
6 in nature shall be denied.

7 3. Status-update letters shall provide a reason for delay in  
8 either approval, rejection or denial should a situation arise in  
9 which an application was submitted properly but a delay in  
10 processing the application occurred.

11 4. Approval, rejection, denial or status-update letters shall  
12 be sent to the applicant in the same method the application was  
13 submitted to the Authority.

14 H. A license for a medical marijuana business, medical  
15 marijuana research facility, medical marijuana education facility or  
16 medical marijuana waste disposal facility shall not be issued to or  
17 held by:

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

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

22 3. A corporation, if the criminal history of any of its  
23 officers, directors or stockholders indicates that the officer,  
24 director or stockholder has been convicted of a nonviolent felony

1 within two (2) years of the date of application, or within five (5)  
2 years for any other felony;

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

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

7 a. file taxes, interest or penalties due related to a  
8 medical marijuana business, or

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

11 6. A sheriff, deputy sheriff, police officer or prosecuting  
12 officer, or an officer or employee of the Authority or municipality;

13 7. A person whose authority to be a caregiver, as defined in  
14 Section 427.2 of this title, has been revoked by the Authority; or

15 8. A person who was involved in the management or operations of  
16 any medical marijuana business, medical marijuana research facility,  
17 medical marijuana education facility or medical marijuana waste  
18 disposal facility that, after the initiation of a disciplinary  
19 action, has had a medical marijuana license revoked, not renewed, or  
20 surrendered during the five (5) years preceding submission of the  
21 application and for the following violations:

22 a. unlawful sales or purchases,

23 b. any fraudulent acts, falsification of records or

24 misrepresentation to the Authority, medical marijuana

- 1 patient licensees, caregiver licensees or medical  
2 marijuana business licensees,
- 3 c. any grossly inaccurate or fraudulent reporting,
  - 4 d. threatening or harming any medical marijuana patient,  
5 caregiver, medical practitioner or employee of the  
6 Authority,
  - 7 e. knowingly or intentionally refusing to permit the  
8 Authority access to premises or records,
  - 9 f. using a prohibited, hazardous substance for processing  
10 in a residential area,
  - 11 g. criminal acts relating to the operation of a medical  
12 marijuana business, or
  - 13 h. any violations that endanger public health and safety  
14 or product safety.

15 I. In investigating the qualifications of an applicant or a  
16 licensee, the Authority and municipalities may have access to  
17 criminal history record information furnished by a criminal justice  
18 agency subject to any restrictions imposed by such an agency.

19 J. The failure of an applicant or licensee to provide the  
20 requested information by the Authority deadline may be grounds for  
21 denial of the application.

22 K. All applicants and licensees shall submit information to the  
23 Authority in a full, faithful, truthful and fair manner. The  
24 Authority may recommend denial of an application where the applicant

1 or licensee made misstatements, omissions, misrepresentations or  
2 untruths in the application or in connection with the background  
3 investigation of the applicant. This type of conduct may be grounds  
4 for administrative action against the applicant or licensee. Typos  
5 and scrivener errors shall not be grounds for denial.

6 L. A licensed medical marijuana business premises shall be  
7 subject to and responsible for compliance with applicable provisions  
8 consistent with the zoning where such business is located as  
9 described in the most recent versions of the Oklahoma Uniform  
10 Building Code, the International Building Code and the International  
11 Fire Code, unless granted an exemption by a municipality or  
12 appropriate code enforcement entity.

13 M. All medical marijuana business, medical marijuana research  
14 facility, medical marijuana education facility and medical marijuana  
15 waste disposal facility licensees shall pay the relevant licensure  
16 fees prior to receiving licensure to operate.

17 N. A medical marijuana business, medical marijuana research  
18 facility, medical marijuana education facility or medical marijuana  
19 waste disposal facility that attempts to renew its license after the  
20 expiration date of the license shall pay a late renewal fee in an  
21 amount to be determined by the Authority to reinstate the license.  
22 Late renewal fees are nonrefundable. A license that has been  
23 expired for more than ninety (90) days shall not be renewed.

1       O. No medical marijuana business, medical marijuana research  
2 facility, medical marijuana education facility or medical marijuana  
3 waste disposal facility shall possess, sell or transfer medical  
4 marijuana or medical marijuana products without a valid, unexpired  
5 license issued by the Authority.

6       P. No more than one medical marijuana commercial grower license  
7 shall be issued for any one property.

8       Q. The Executive Director of the Authority may promulgate rules  
9 to implement the provisions of this section including, but not  
10 limited to, required application materials to be submitted by the  
11 applicant and utilized by the Authority to determine medical  
12 marijuana business licensing fees pursuant to this section.

13       SECTION 2. This act shall become effective November 1, 2024.

14

15       59-2-10089       GRS       02/12/24

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