

1 ENGROSSED SENATE  
2 BILL NO. 806

By: Howard, Garvin, and Kidd of  
the Senate

3 and

4 Echols of the House

5  
6 An Act relating to medical marijuana; amending 63  
7 O.S. 2021, Section 427.14, as last amended by Section  
8 2, Chapter 328, O.S.L. 2022 (63 O.S. Supp. 2022,  
9 Section 427.14), which relates to medical marijuana  
10 business license; requiring an applicant to submit  
11 verification of ownership or lease of a licensed  
12 medical marijuana business premises; prohibiting  
13 multiple licenses at same location; providing  
14 exception; updating statutory reference; authorizing  
15 the Oklahoma Medical Marijuana Authority to require  
16 certain application for transfer of license;  
17 prohibiting transfer without approval; allowing  
18 Authority to revoke license or forbid future  
19 licenses; establishing fee for application; providing  
20 for promulgation of rules; prohibiting transfers  
21 during certain investigations; allowing for only one  
22 transfer per year; providing for codification; and  
23 providing an effective date.

24 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 2, Chapter 328, O.S.L. 2022 (63 O.S. Supp.  
2022, 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;

- 1       2. Medical marijuana processor;
- 2       3. Medical marijuana dispensary;
- 3       4. Medical marijuana transporter; and
- 4       5. Medical marijuana testing laboratory.

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

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

11       D. The annual, nonrefundable application fee for a medical  
12 marijuana business license shall be Two Thousand Five Hundred  
13 Dollars (\$2,500.00).

14       E. All applicants seeking licensure or licensure renewal as a  
15 medical marijuana business shall comply with the following general  
16 requirements:

17       1. All applications for licenses and registrations authorized  
18 pursuant to this section shall be made upon forms prescribed by the  
19 Authority;

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

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

1 4. All applications shall be complete and accurate in every  
2 detail;

3 5. All applications shall include all attachments or  
4 supplemental information required by the forms supplied by the  
5 Authority;

6 6. All applications shall be accompanied by a full remittance  
7 for the whole amount of the application fees. Application fees are  
8 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 a resident of this state pursuant to paragraph 11  
14 of 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 residents of this state  
19 pursuant to 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,  
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- 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, and
- 13 g. proof that the applicant has possessory right to the  
14 real estate where the business will operate by  
15 submission of a copy of an executed deed of conveyance  
16 or a signed lease for the property;

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

1 that no address or physical location shall be permitted to have  
2 multiple licenses of the same type, except a commercial grower with  
3 a combination of indoor and outdoor growing facilities at one  
4 location pursuant to the licensing requirements of this section;

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

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

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

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

1 years immediately preceding the date of application. Sufficient  
2 documentation of proof of state residency shall include a  
3 combination of the following:

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

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

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

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

- 22 a. front of a state-issued driver license,
- 23 b. front of a state-issued identification card,

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- 1 c. a United States passport or other photo identification  
2 issued by the United States government, or  
3 d. a tribal identification card approved for  
4 identification purposes by the Department of Public  
5 Safety; and

6 14. All applicants shall submit an applicant photograph.

7 F. The Authority shall review the medical marijuana business  
8 application; approve, reject or deny the application; and mail the  
9 approval, rejection, denial or status-update letter to the applicant  
10 within ninety (90) business days of receipt of the application.

11 G. 1. The Authority shall review the medical marijuana  
12 business applications and conduct all investigations, inspections  
13 and interviews before 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, or for a reason provided for in the Oklahoma Medical  
23 Marijuana and Patient Protection Act and Sections 420 through 426.1  
24 of this title. If an application is rejected for failure to provide

1 required information, the applicant shall have thirty (30) days to  
2 submit the required information for reconsideration. No additional  
3 application fee shall be charged for such reconsideration. Unless  
4 the Authority determines otherwise, an application that has been  
5 resubmitted but is still incomplete or contains errors that are not  
6 clerical or typographical 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 Executive Director of the Authority  
22 to reinstate the license. Late renewal fees are nonrefundable. A  
23 license that has been expired for more than ninety (90) days shall  
24 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. A medical marijuana business license holder shall require  
7 all individuals employed under their license to be issued a  
8 credential pursuant to the provisions of Section ~~3 of this act~~  
9 427.14a of this title prior to employment.

10 SECTION 2. NEW LAW A new section of law to be codified  
11 in the Oklahoma Statutes as Section 427.14c of Title 63, unless  
12 there is created a duplication in numbering, reads as follows:

13 A. After the effective date of this act, no medical marijuana  
14 business license ownership shall be transferred without written  
15 approval of an application to transfer ownership by the Oklahoma  
16 Medical Marijuana Authority.

17 B. For purposes of this act, the "application to transfer"  
18 shall include all information disclosing the ownership and other  
19 documentary requirements required of a new business license  
20 application to be submitted on behalf of the new owners of the  
21 license including, but not limited to, a detailed inventory of all  
22 seeds, plant tissue, clones, plants, usable marijuana or trim,  
23 leaves and other plant matter, batches of extract, and marijuana  
24 concentrates that are to be transferred. Any attempt to transfer

1 the medical marijuana business license, the ownership of the  
2 business license, or substantially all of the listed medical  
3 marijuana, medical marijuana concentrate, or medical marijuana  
4 products of a medical marijuana business outside of the normal  
5 course of business without approval from the Authority shall be  
6 grounds for revocation or nonrenewal of the license and denial,  
7 revocation, or renewal of current or future licenses or license  
8 applications with ownership held by any such person involved in the  
9 unlawful ownership transfer.

10 C. The application fee for the application to transfer shall be  
11 the same as the fee charged for the underlying license application.

12 D. The Authority shall promulgate rules regarding the approval  
13 and denial of transfers of licenses. Transfers shall not be allowed  
14 for any licensee who is under investigation by the Authority or any  
15 other law enforcement agency. No business license shall be  
16 transferred more than once in a calendar year.

17 SECTION 3. This act shall become effective November 1, 2023.

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1 Passed the Senate the 21st day of March, 2023.

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3 \_\_\_\_\_  
4 Presiding Officer of the Senate

5 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
6 2023.

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8 \_\_\_\_\_  
9 Presiding Officer of the House  
10 of Representatives