

1 STATE OF OKLAHOMA

2 1st Session of the 58th Legislature (2021)

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 2272

By: West (Josh)

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7 COMMITTEE SUBSTITUTE

8 An Act relating to medical marijuana; creating the
9 Oklahoma Cap on Medical Marijuana Businesses Act of
10 2021; directing the Oklahoma Medical Marijuana
11 Authority to publicly announce caps on certain
12 medical marijuana business licenses; providing
13 procedures for determining amount of licenses;
14 providing application requirements for active medical
15 marijuana business licenses; providing for the
16 reduction of medical marijuana dispensary, processor
17 and commercial grower licenses; prohibiting renewal
18 of licenses for inactivity; directing the Authority
19 to promulgate certain rules and regulations for
20 number-based lottery system; providing for
21 codification; and declaring an emergency.

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

23 SECTION 1. NEW LAW A new section of law to be codified
24 in the Oklahoma Statutes as Section 431 of Title 63, unless there is
created a duplication in numbering, reads as follows:

Sections 1 through 4 of this act shall be known and may be cited
as the "Oklahoma Cap on Medical Marijuana Businesses Act of 2021".

1 SECTION 2. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 431.1 of Title 63, unless there
3 is created a duplication in numbering, reads as follows:

4 A. On July 1, 2021, or fifteen (15) days from the effective
5 date of this act, the Oklahoma Medical Marijuana Authority shall
6 announce publicly that the number of medical marijuana dispensary
7 licenses, medical marijuana processor licenses and medical marijuana
8 commercial grower licenses authorized in the State of Oklahoma shall
9 be capped beginning September 1, 2021.

10 B. Beginning September 1, 2021, the number of medical marijuana
11 dispensary licenses, medical marijuana processor licenses and
12 medical marijuana commercial grower licenses authorized in the State
13 of Oklahoma shall be capped at the total number of licenses active
14 in each category as of September 1, 2021, combined with the total
15 number of applications pending in each category with the Oklahoma
16 Medical Marijuana Authority which were submitted prior to September
17 1, 2021. In order to determine the final amount of authorized
18 medical marijuana dispensary licenses, medical marijuana processor
19 licenses and medical marijuana commercial grower licenses in this
20 state, the Authority shall first process all pending applications
21 for each license category received prior to September 1, 2021, and
22 add that number to the total number of active licenses in each
23 category as of September 1, 2021. Applications for a medical
24 marijuana dispensary license, medical marijuana processor license or

1 medical marijuana commercial grower license shall not be accepted
2 beginning September 1, 2021, except as provided in subsection C of
3 this section.

4 C. All applicants submitting an application for an active
5 medical marijuana dispensary license, medical marijuana processor
6 license or medical marijuana commercial grower license, prior to
7 September 1, 2021, shall meet all requirements to hold a medical
8 marijuana business license at the time of application. However,
9 such applicant shall not be required to submit a Certificate of
10 Compliance prior to submitting an application under the provisions
11 of this subsection and each applicant shall have one hundred eighty
12 (180) days from the date such license is provisionally approved to
13 submit a Certificate of Compliance to the Oklahoma Medical Marijuana
14 Authority. Only upon submission and acceptance by the Authority of
15 the Certificate of Compliance, and provided the applicant continues
16 to meet all other requirements provided for in Sections 421 through
17 423 of Title 63 of the Oklahoma Statutes and the Oklahoma Medical
18 Marijuana and Patient Protection Act, shall the applicant be awarded
19 an active business license. In the event an applicant does not
20 submit a Certificate of Compliance or fails to meet any other
21 requirements for licensure within one hundred eighty (180) days of
22 being awarded a license, the license shall automatically terminate
23 and shall not be extended.

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1 SECTION 3. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 431.2 of Title 63, unless there
3 is created a duplication in numbering, reads as follows:

4 A. 1. Beginning September 1, 2021, the number of medical
5 marijuana dispensary licensees authorized to operate in the State of
6 Oklahoma shall be automatically reduced by the number of medical
7 marijuana dispensary licenses surrendered, canceled or otherwise
8 terminated, until such time as the total number of active medical
9 marijuana dispensary licenses is equal in number to two thousand.

10 2. Beginning September 1, 2022, any medical marijuana
11 dispensary licensee who does not actively use the medical marijuana
12 dispensary license for a period of eighteen (18) months shall not be
13 authorized to renew the license. For purposes of this subsection,
14 the active use of a medical marijuana dispensary license shall
15 require that a dispensary licensee have a minimum of Five Thousand
16 Dollars (\$5,000.00) per month in gross monthly sales calculated on a
17 twelve-month rolling average. Gross monthly sales shall be
18 calculated by taking the total amount of income and subtracting all
19 discounts and sales and excise tax collected on medical marijuana
20 and medical marijuana products.

21 B. 1. Beginning September 1, 2021, the number of medical
22 marijuana commercial grower licensees authorized in the State of
23 Oklahoma shall be automatically reduced by the number of medical
24 marijuana commercial grower licenses surrendered, canceled or

1 otherwise terminated, until the total number of active medical
2 marijuana commercial grower licenses is equal in number to or less
3 than five thousand.

4 2. Beginning September 1, 2022, any medical marijuana
5 commercial grower licensee who does not actively use the license for
6 a period of eighteen (18) months shall not be authorized to renew
7 the license. For purposes of this subsection, active use of a
8 medical marijuana commercial grower license shall require that a
9 commercial grower licensee have under cultivation a minimum of fifty
10 marijuana plants per month, calculated on a twelve-month rolling
11 average.

12 C. 1. Beginning September 1, 2021, the number of medical
13 marijuana processor licensees authorized in the State of Oklahoma
14 shall be automatically reduced by the number of medical marijuana
15 processor licenses surrendered, canceled or otherwise terminated,
16 until the total number of active medical marijuana processor
17 licenses is equal in number to or less than one thousand.

18 2. Beginning September 1, 2022, any medical marijuana processor
19 licensee who does not actively use the license for a period of
20 eighteen (18) months shall not be authorized to renew the license.
21 For purposes of this subsection, active use of a medical marijuana
22 processor license shall require that a processor licensee have a
23 minimum of Five Thousand Dollars (\$5,000.00) per month in gross
24 monthly sales calculated on a twelve-month rolling average. Gross

1 monthly sales shall be calculated by taking the total amount of
2 income and subtracting all discounts.

3 SECTION 4. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 431.3 of Title 63, unless there
5 is created a duplication in numbering, reads as follows:

6 The Authority shall, within ninety (90) days of the effective
7 date of this act, promulgate rules and regulations to govern an
8 impartial, number-based lottery to govern issuance of all available
9 medical marijuana business licenses up to the cap amount for the
10 specific medical marijuana business license category.

11 SECTION 5. It being immediately necessary for the preservation
12 of the public peace, health or safety, an emergency is hereby
13 declared to exist, by reason whereof this act shall take effect and
14 be in full force from and after its passage and approval.

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16 58-1-7604 GRS 02/18/21

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