

1 ENGROSSED HOUSE
2 BILL NO. 2272

By: West (Josh), Cornwell,
McEntire, Sneed and Grego
of the House

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Murdock of the Senate
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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.

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

24 SECTION 1. NEW LAW A new section of law to be codified
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 for a two-year period beginning September 1, 2021, and
10 ending September 1, 2023.

11 B. Beginning September 1, 2021, and ending September 1, 2023,
12 the number of medical marijuana dispensary licenses, medical
13 marijuana processor licenses and medical marijuana commercial grower
14 licenses authorized in the State of Oklahoma shall be capped at the
15 total number of licenses active in each category as of September 1,
16 2021, combined with the total number of applications pending in each
17 category with the Oklahoma Medical Marijuana Authority which were
18 submitted prior to September 1, 2021. In order to determine the
19 final amount of authorized medical marijuana dispensary licenses,
20 medical marijuana processor licenses and medical marijuana
21 commercial grower licenses in this state, the Authority shall first
22 process all pending applications for each license category received
23 prior to September 1, 2021, and add that number to the total number
24 of active licenses in each category as of September 1, 2021.

1 Applications for a medical marijuana dispensary license, medical
2 marijuana processor license or medical marijuana commercial grower
3 license shall not be accepted beginning September 1, 2021, except as
4 provided in subsection C of this section.

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

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, and ending September 1,
5 2023, the number of medical marijuana dispensary licensees
6 authorized to operate in the State of Oklahoma shall be
7 automatically reduced by the number of medical marijuana dispensary
8 licenses surrendered, canceled or otherwise terminated, until such
9 time as the total number of active medical marijuana dispensary
10 licenses is equal in number to two thousand.

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

22 B. 1. Beginning September 1, 2021, and ending September 1,
23 2023, the number of medical marijuana commercial grower licensees
24 authorized in the State of Oklahoma shall be automatically reduced

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

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

13 C. 1. Beginning September 1, 2021, and ending September 1,
14 2023, the number of medical marijuana processor licensees authorized
15 in the State of Oklahoma shall be automatically reduced by the
16 number of medical marijuana processor licenses surrendered, canceled
17 or otherwise terminated, until the total number of active medical
18 marijuana processor licenses is equal in number to or less than one
19 thousand.

20 2. Beginning September 1, 2022, any medical marijuana processor
21 licensee who does not actively use the license for a period of
22 eighteen (18) months shall not be authorized to renew the license.
23 For purposes of this subsection, active use of a medical marijuana
24 processor license shall require that a processor licensee have a

1 minimum of Five Thousand Dollars (\$5,000.00) per month in gross
2 monthly sales calculated on a twelve-month rolling average. Gross
3 monthly sales shall be calculated by taking the total amount of
4 income and subtracting all discounts.

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

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

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

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1 Passed the House of Representatives the 10th day of March, 2021.

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4 Presiding Officer of the House
of Representatives

5 Passed the Senate the ____ day of _____, 2021.

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9 Presiding Officer of the Senate