

SENATE CHAMBER  
STATE OF OKLAHOMA

DISPOSITION

FLOOR AMENDMENT

No. 1

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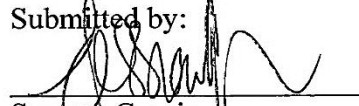
COMMITTEE AMENDMENT

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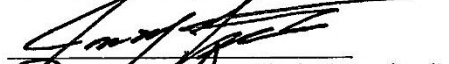
(Date)


I move to amend House Bill No. 2179, by substituting the attached floor substitute (Request #3873) for the title, enacting clause and entire body of the measure.

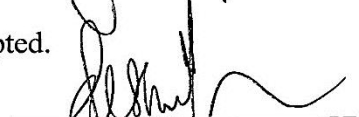
Submitted by:

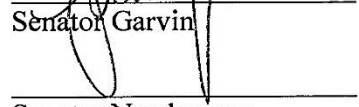
  
\_\_\_\_\_  
Senator Garvin

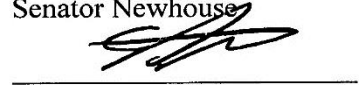
I hereby grant permission for the floor substitute to be adopted.

  
\_\_\_\_\_  
Senator Lee Wright, Chair (required)

  
\_\_\_\_\_  
Senator Coleman


  
\_\_\_\_\_  
Senator Garvin

  
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Senator Newhouse

  
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Senator Paxton

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Senator Bergstrom

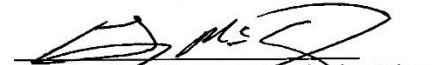
\_\_\_\_\_  
Senator Pugh

  
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Senator Rogers


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Senator Brooks

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Senator Burns

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Senator Young


  
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Senator McCartney, Majority Floor Leader

\_\_\_\_\_  
Senator Dahm

  
\_\_\_\_\_  
Senator Treat, President Pro Tempore

Note: Business, Commerce and Tourism committee majority requires seven (7) members' signatures.

I hereby grant permission for the floor substitute to be adopted.

  
\_\_\_\_\_  
Senator Thompson  
Appropriations Committee Chair

Garvin-RJ-FS-HB2179  
4/26/2022 3:22 PM

(Floor Amendments Only)

Date and Time Filed: 4-26-22 4:54 pm *jd*

Untimely

Amendment Cycle Extended

Secondary Amendment

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 FLOOR SUBSTITUTE  
4 FOR ENGROSSED  
5 HOUSE BILL NO. 2179

By: Fetgatter and McDugle of  
the House

and

Garvin of the Senate

6  
7  
8  
9 FLOOR SUBSTITUTE

10 [ medical marijuana - licensing requirements for  
11 medical marijuana commercial growers - tiered  
12 licensing fee schedule -  
13 emergency ]

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

15 SECTION 1. AMENDATORY 63 O.S. 2021, Section 422, is  
16 amended to read as follows:

17 Section 422. A. ~~The State Department of Health shall, within~~  
18 ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical  
19 Marijuana Authority shall make available on its website in an easy-  
20 to-find location an application for a medical marijuana commercial  
21 grower license. The application fee shall be ~~Two Thousand Five~~  
22 ~~Hundred Dollars (\$2,500.00)~~ paid by the applicant in the amounts  
23 provided for in Section 427.14 of this title. A method of payment  
24 for the application fee shall be provided on the website of the

1 ~~Department~~ Authority. The ~~State Department of Health~~ Authority  
2 shall have ninety (90) days to review the application; approve,  
3 reject or deny the application; and mail the approval, rejection or  
4 denial letter stating the reasons for the rejection or denial to the  
5 applicant.

6 B. The ~~State Department of Health~~ Authority shall approve all  
7 applications which meet the following criteria:

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

10 2. The applicant, if applying as an individual, must show  
11 residency in ~~the State of Oklahoma~~ this state;

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

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

17 5. All applying individuals or entities must be registered to  
18 conduct business in ~~the State of Oklahoma~~ this state; and

19 6. All applicants must disclose all ownership interests in the  
20 commercial grower operation.

21 Applicants with a nonviolent felony conviction in the last two  
22 (2) years, any other felony conviction in the last five (5) years,  
23 inmates in the custody of the Department of Corrections or any  
24

1 person currently incarcerated shall not qualify for a commercial  
2 grower license.

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

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

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

8 E. Beginning ~~on the effective date of this act~~ November 1,  
9 2021, licensed medical marijuana commercial growers shall be  
10 authorized to package and sell pre-rolled marijuana to licensed  
11 medical marijuana dispensaries. The products described in this  
12 subsection shall contain only the ground parts of the marijuana  
13 plant and shall not include marijuana concentrates or derivatives.  
14 The total net weight of each pre-roll packaged and sold by licensed  
15 medical marijuana commercial growers shall not exceed one (1) gram.  
16 These products must be tested, packaged and labeled in accordance  
17 with Oklahoma law and rules promulgated by the ~~State Commissioner of~~  
18 ~~Health Authority~~.

19 SECTION 2. AMENDATORY 63 O.S. 2021, Section 427.14, is  
20 amended to read as follows:

21 Section 427.14. A. There is hereby created the medical  
22 marijuana business license, which shall include the following  
23 categories:

24 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~~ 1. Except as provided in paragraph 2 of this  
12 subsection, the annual, nonrefundable application fee for a medical  
13 marijuana business license shall be ~~Two Thousand Five Hundred~~  
14 ~~Dollars (\$2,500.00) Five Thousand Dollars (\$5,000.00).~~

15 2. The annual, nonrefundable application fee for a medical  
16 marijuana commercial grower shall be as follows:

17 a. For an indoor medical marijuana grow facility:

18 (1) Tier 1: Up to Five Thousand (5,000) square feet  
19 of canopy, the fee shall be Two Thousand Five  
20 Hundred Dollars (\$2,500.00).

21 (2) Tier 2: Five thousand one (5,001) square feet of  
22 canopy to ten thousand (10,000) square feet of  
23 canopy, the fee shall be Five Thousand Dollars  
24 (\$5,000.00).

1           (3) Tier 3: Ten thousand one (10,001) square feet of  
2           canopy to twenty thousand (20,000) square feet of  
3           canopy, the fee shall be Ten Thousand Dollars  
4           (\$10,000.00).

5           (4) Tier 4: Twenty thousand one (20,001) square feet  
6           of canopy to fifty thousand (50,000) square feet  
7           of canopy, the fee shall be Twenty-five Thousand  
8           Dollars (\$25,000.00).

9           (5) Tier 5: Fifty thousand one (50,001) square feet  
10           of canopy to one hundred thousand (100,000)  
11           square feet of canopy, the fee shall be Fifty  
12           Thousand Dollars (\$50,000.00).

13           (6) Tier 6: One hundred thousand one (100,001)  
14           square feet of canopy and up shall be an initial  
15           rate of One Hundred Thousand Dollars  
16           (\$100,000.00), plus an additional one dollar  
17           (\$1.00) per square foot for any canopy square  
18           footage over one hundred thousand (100,000)  
19           square feet of canopy space. No licensee shall  
20           pay more than One Million Dollars (\$1,000,000.00)  
21           for an initial license or annual renewal license.

22           3. As used in this subsection, "canopy" means the total surface  
23           area within a cultivation area that is dedicated to the cultivation  
24           of flowering marijuana plants. The surface area of the plant canopy

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

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

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

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

24



1           3. Applicants shall submit a complete application to the  
2 ~~Department~~ Authority before the application may be accepted or  
3 considered;

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

6           5. All applications shall include all attachments or  
7 supplemental information required by the forms supplied by the  
8 Authority;

9           6. All applications shall be accompanied by a full remittance  
10 for the whole amount of the application fees. Application fees are  
11 nonrefundable;

12           7. All applicants shall be approved for licensing review that,  
13 at a minimum, meets the following criteria:

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

23  
24

1 d. if applying as an individual or entity, proof that the  
2 individual or entity is registered to conduct business  
3 in ~~the State of Oklahoma~~ this state,

4 e. disclosure of all ownership interests pursuant to the  
5 Oklahoma Medical Marijuana and Patient Protection Act,  
6 and

7 f. proof that the medical marijuana business, medical  
8 marijuana research facility, medical marijuana  
9 education facility and medical marijuana waste  
10 disposal facility applicant or licensee has not been  
11 convicted of a nonviolent felony in the last two (2)  
12 years, or any other felony conviction within the last  
13 five (5) years, is not a current inmate in the custody  
14 of the Department of Corrections, or currently  
15 incarcerated in a jail or corrections facility;

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

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

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

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

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

- 24          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~~ this state, and
- e. a rental agreement preceding the date of application for residential property located in ~~the State of Oklahoma~~ this state.

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

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

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

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

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

4           14. All applicants shall submit an applicant photograph.

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

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

12           2. Approved applicants shall be issued a medical marijuana  
13 business license for the specific category applied under, which  
14 shall act as proof of their approved status. Rejection and denial  
15 letters shall provide a reason for the rejection or denial.  
16 Applications may only be rejected or denied based on the applicant  
17 not meeting the standards set forth in the provisions of the  
18 Oklahoma Medical Marijuana and Patient Protection Act and Sections  
19 420 through 426.1 of this title, improper completion of the  
20 application, or for a reason provided for in the Oklahoma Medical  
21 Marijuana and Patient Protection Act and Sections 420 through 426.1  
22 of this title. If an application is rejected for failure to provide  
23 required information, the applicant shall have thirty (30) days to  
24 submit the required information for reconsideration. No additional

1 application fee shall be charged for such reconsideration. Unless  
2 the ~~Department~~ Authority determines otherwise, an application that  
3 has been resubmitted but is still incomplete or contains errors that  
4 are not clerical or typographical in nature shall be denied.

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

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

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

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

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

20 3. A corporation, if the criminal history of any of its  
21 officers, directors or stockholders indicates that the officer,  
22 director or stockholder has been convicted of a nonviolent felony  
23 within two (2) years of the date of application, or within five (5)  
24 years for any other felony;

- 1       4. A person under twenty-five (25) years of age;
- 2       5. A person licensed pursuant to this section who, during a  
3 period of licensure, or who, at the time of application, has failed  
4 to:
- 5           a. file taxes, interest or penalties due related to a  
6           medical marijuana business, or
- 7           b. pay taxes, interest or penalties due related to a  
8           medical marijuana business;
- 9       6. A sheriff, deputy sheriff, police officer or prosecuting  
10 officer, or an officer or employee of the Authority or municipality;
- 11       7. A person whose authority to be a caregiver, as defined in  
12 Section 427.2 of this title, has been revoked by the ~~Department~~  
13 Authority; or
- 14       8. A person who was involved in the management or operations of  
15 any medical marijuana business, medical marijuana research facility,  
16 medical marijuana education facility or medical marijuana waste  
17 disposal facility that, after the initiation of a disciplinary  
18 action, has had a medical marijuana license revoked, not renewed, or  
19 surrendered during the five (5) years preceding submission of the  
20 application and for the following violations:
- 21           a. unlawful sales or purchases,
- 22           b. any fraudulent acts, falsification of records or  
23           misrepresentation to the Authority, medical marijuana  
24

- 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 ~~Department~~ Authority,
  - 7 e. knowingly or intentionally refusing to permit the  
8 ~~Department~~ 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 ~~Department~~, Authority and municipalities may have  
17 access to criminal history record information furnished by a  
18 criminal justice agency subject to any restrictions imposed by such  
19 an agency.

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

23 K. All applicants and licensees shall submit information to the  
24 ~~Department and~~ Authority in a full, faithful, truthful and fair



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

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

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

19 N. A medical marijuana business, medical marijuana research  
20 facility, medical marijuana education facility or medical marijuana  
21 waste disposal facility that attempts to renew its license after the  
22 expiration date of the license shall pay a late renewal fee in an  
23 amount to be determined by the ~~Department~~ Authority to reinstate the  
24

1 license. Late renewal fees are nonrefundable. A license that has  
2 been expired for more than ninety (90) days shall not be renewed.

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

8 SECTION 3. It being immediately necessary for the preservation  
9 of the public peace, health or safety, an emergency is hereby  
10 declared to exist, by reason whereof this act shall take effect and  
11 be in full force from and after its passage and approval.

12

13 58-2-3873 RJ 4/26/2022 5:12:34 PM

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