

COMMITTEE AMENDMENT
HOUSE OF REPRESENTATIVES
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB1616 _____
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

Adopted: _____

Amendment submitted by: Rande Worthen _____

Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 PROPOSED COMMITTEE
4 SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1616

By: Worthen

7
8 PROPOSED COMMITTEE SUBSTITUTE

9 An Act relating to medical marijuana; amending 63
10 O.S. 2021, Section 427.14, as amended by Section 4,
11 Chapter 332, O.S.L. 2022 (63 O.S. Supp. 2022, Section
12 427.14), which relates to the Oklahoma Medical
13 Marijuana and Patient Protection Act; requiring
14 disclosure of conflicts of interest from certain
15 elected officials; defining term; and providing an
16 effective date.

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

18 SECTION 1. AMENDATORY 63 O.S. 2021, Section 427.14, as
19 amended by Section 4, Chapter 332, O.S.L. 2022 (63 O.S. Supp. 2022,
20 Section 427.14), is 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. 1. The annual, nonrefundable fee for a medical marijuana
12 transporter license shall be Two Thousand Five Hundred Dollars
13 (\$2,500.00).

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

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

- 1 (1) Tier 1: Up to ten thousand (10,000) square feet
2 of canopy, the fee shall be Two Thousand Five
3 Hundred Dollars (\$2,500.00),
- 4 (2) Tier 2: Ten thousand one (10,001) square feet of
5 canopy to twenty thousand (20,000) square feet of
6 canopy, the fee shall be Five Thousand Dollars
7 (\$5,000.00),
- 8 (3) Tier 3: Twenty thousand one (20,001) square feet
9 of canopy to forty thousand (40,000) square feet
10 of canopy, the fee shall be Ten Thousand Dollars
11 (\$10,000.00),
- 12 (4) Tier 4: Forty thousand one (40,001) square feet
13 of canopy to sixty thousand (60,000) square feet
14 of canopy, the fee shall be Twenty Thousand
15 Dollars (\$20,000.00),
- 16 (5) Tier 5: Sixty thousand one (60,001) square feet
17 of canopy to eighty thousand (80,000) square feet
18 of canopy, the fee shall be Thirty Thousand
19 Dollars (\$30,000.00),
- 20 (6) Tier 6: Eighty thousand one (80,001) square feet
21 of canopy to ninety-nine thousand nine hundred
22 ninety-nine (99,999) square feet of canopy, the
23 fee shall be Forty Thousand Dollars (\$40,000.00),
24 and

1 (7) Tier 7: One hundred thousand (100,000) square
2 feet of canopy and beyond, the fee shall be Fifty
3 Thousand Dollars (\$50,000.00), plus an additional
4 twenty-five cents (\$0.25) per square foot of
5 canopy over one hundred thousand (100,000) square
6 feet.

7 b. For an outdoor medical marijuana grow facility:

8 (1) Tier 1: Up to two and one-half (2 1/2) acres,
9 the fee shall be Two Thousand Five Hundred
10 Dollars (\$2,500.00),

11 (2) Tier 2: Two and one-half (2 1/2) acres up to
12 five (5) acres, the fee shall be Five Thousand
13 Dollars (\$5,000.00),

14 (3) Tier 3: Five (5) acres up to ten (10) acres, the
15 fee shall be Ten Thousand Dollars (\$10,000.00),

16 (4) Tier 4: Ten (10) acres up to twenty (20) acres,
17 the fee shall be Twenty Thousand Dollars
18 (\$20,000.00),

19 (5) Tier 5: Twenty (20) acres up to thirty (30)
20 acres, the fee shall be Thirty Thousand Dollars
21 (\$30,000.00),

22 (6) Tier 6: Thirty (30) acres up to forty (40)
23 acres, the fee shall be Forty Thousand Dollars
24 (\$40,000.00),

1 (7) Tier 7: Forty (40) acres up to fifty (50) acres,
2 the fee shall be Fifty Thousand Dollars

3 (\$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 annual, nonrefundable license fee for a medical
2 marijuana processor license shall be determined as follows:

3 a. Tier 1: Zero (0) to ten thousand (10,000) pounds of
4 biomass or production or use of up to one hundred
5 (100) liters of cannabis concentrate, the annual fee
6 shall be Two Thousand Five Hundred Dollars
7 (\$2,500.00),

8 b. Tier 2: Ten thousand one (10,001) pounds to fifty
9 thousand (50,000) pounds of biomass or production or
10 use from one hundred one (101) to three hundred fifty
11 (350) liters of cannabis concentrate, the annual fee
12 shall be Five Thousand Dollars (\$5,000.00),

13 c. Tier 3: Fifty thousand one (50,001) pounds to one
14 hundred fifty thousand (150,000) pounds of biomass or
15 production or use from three hundred fifty-one (351)
16 to six hundred fifty (650) liters of cannabis
17 concentrate, the annual fee shall be Ten Thousand
18 Dollars (\$10,000.00),

19 d. Tier 4: One hundred fifty thousand one (150,001)
20 pounds to three hundred thousand (300,000) pounds of
21 biomass or production or use from six hundred fifty-
22 one (651) to one thousand (1,000) liters of cannabis
23 concentrate, the annual fee shall be Fifteen Thousand
24 Dollars (\$15,000.00), and

1 e. Tier 5: More than three hundred thousand one
2 (300,001) pounds of biomass or production or use in
3 excess of one thousand one (1,001) liters of cannabis
4 concentrate, the annual fee shall be Twenty Thousand
5 Dollars (\$20,000.00).

6 For purposes of this paragraph only, if the cannabis concentrate
7 is in nonliquid form, every one thousand (1,000) grams of
8 concentrated marijuana shall be calculated as one (1) liter of
9 cannabis concentrate.

10 4. The initial fee for a medical marijuana dispensary license
11 shall be Two Thousand Five Hundred Dollars (\$2,500.00). The annual,
12 nonrefundable license fee for a medical marijuana dispensary license
13 shall be calculated at ten percent (10%) of the sum of twelve (12)
14 calendar months of the combined annual state sales tax and state
15 excise tax of the dispensary. The minimum fee shall be not less
16 than Two Thousand Five Hundred Dollars (\$2,500.00) and the maximum
17 fee shall not exceed Ten Thousand Dollars (\$10,000.00).

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

21 E. All applicants seeking licensure or licensure renewal as a
22 medical marijuana business shall comply with the following general
23 requirements:
24

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

4 2. Each application shall identify the city or county in which
5 the applicant seeks to obtain licensure as a medical marijuana
6 business;

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

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

11 5. All applications shall include all attachments or
12 supplemental information required by the forms supplied by the
13 Authority;

14 6. All applications shall be accompanied by a full remittance
15 for the whole amount of the application fees. Application fees are
16 nonrefundable;

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

19 a. twenty-five (25) years of age or older,

20 b. if applying as an individual, proof that the applicant
21 is an Oklahoma resident pursuant to paragraph 11 of
22 this subsection,

23 c. if applying as an entity, proof that seventy-five
24 percent (75%) of all members, managers, executive

1 officers, partners, board members or any other form of
2 business ownership are Oklahoma residents pursuant to
3 paragraph 11 of this subsection,

4 d. if applying as an individual or entity, proof that the
5 individual or entity is registered to conduct business
6 in the State of Oklahoma,

7 e. disclosure of all ownership interests pursuant to the
8 Oklahoma Medical Marijuana and Patient Protection Act,
9 and

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

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

1 location, subject to the restrictions set forth in the Oklahoma
2 Medical Marijuana and Patient Protection Act;

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

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

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

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

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 the State
8 of Oklahoma, and
- 9 e. a rental agreement preceding the date of application
10 for residential property located in the State of
11 Oklahoma.

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 Oklahoma 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 an Oklahoma driver license,
- 23 b. front of an Oklahoma identification card,

24

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

14. All applicants shall submit an applicant photograph.

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

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

2. Approved applicants shall be issued a medical marijuana business license for the specific category applied under, which shall act as proof of their approved status. Rejection and denial letters shall provide a reason for the rejection or denial.

Applications may only be rejected or denied based on the applicant not meeting the standards set forth in the provisions of the Oklahoma Medical Marijuana and Patient Protection Act and Sections 420 through 426.1 of this title, improper completion of the application, or for a reason provided for in the Oklahoma Medical Marijuana and Patient Protection Act and Sections 420 through 426.1 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 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.

24

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. Any elected or appointed state, county, or municipal
7 official shall disclose any conflict of interest or ownership
8 interest in the medical marijuana business to the Authority. For
9 purposes of this subsection, "interest" means an ownership in any
10 entity that holds a medical marijuana license issued by the
11 Authority or an interest in any entity that receives a set
12 percentage of profit distribution from any entity that holds a
13 license issued by the Authority.

14 SECTION 2. This act shall become effective November 1, 2023.

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16 59-1-7421 LRB 02/14/23

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