

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 59th Legislature (2023)

4 ENGROSSED SENATE  
5 BILL NO. 806

By: Howard, Garvin, and Kidd of  
the Senate

6 and

7 Echols of the House

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

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:

1 Section 427.14. A. There is hereby created the medical  
2 marijuana business license, which shall include the following  
3 categories:

- 4 1. Medical marijuana commercial grower;
- 5 2. Medical marijuana processor;
- 6 3. Medical marijuana dispensary;
- 7 4. Medical marijuana transporter; and
- 8 5. Medical marijuana testing laboratory.

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

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

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

18 E. All applicants seeking licensure or licensure renewal as a  
19 medical marijuana business shall comply with the following general  
20 requirements:

- 21 1. All applications for licenses and registrations authorized  
22 pursuant to this section shall be made upon forms prescribed by the  
23 Authority;

24

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

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

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

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

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

14       7. All applicants shall be approved for licensing review that,  
15 at a minimum, meet the following criteria:

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

17           b. if applying as an individual, proof that the applicant  
18 is a resident of this state pursuant to paragraph 11  
19 of this subsection,

20           c. if applying as an entity, proof that seventy-five  
21 percent (75%) of all members, managers, executive  
22 officers, partners, board members or any other form of  
23 business ownership are residents of this state  
24 pursuant to paragraph 11 of this subsection,

- 1 d. if applying as an individual or entity, proof that the  
2 individual or entity is registered to conduct business  
3 in 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, and
- 16 g. proof that the applicant has possessory right to the  
17 real estate where the business will operate by  
18 submission of a copy of an executed deed of conveyance  
19 or a signed lease for the property;

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

1 thereof, are authorized to share the same address or physical  
2 location, subject to the further restrictions set forth in the  
3 Oklahoma Medical Marijuana and Patient Protection Act; provided,  
4 that no address or physical location shall be permitted to have  
5 multiple licenses of the same type, except a commercial grower with  
6 a combination of indoor and outdoor growing facilities at one  
7 location pursuant to the licensing requirements of this section;

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

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

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

23 11. In order to be considered a resident of this state for  
24 purposes of a medical marijuana business application, all applicants

1 shall provide proof of state residency for at least two (2) years  
2 immediately preceding the date of application or five (5) years of  
3 continuous state residency during the preceding twenty-five (25)  
4 years immediately preceding the date of application. Sufficient  
5 documentation of proof of state residency shall include a  
6 combination of the following:

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

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

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

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

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

8 14. All applicants shall submit an applicant photograph.

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

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

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

20 Applications may only be rejected or denied based on the applicant  
21 not meeting the standards set forth in the provisions of the  
22 Oklahoma Medical Marijuana and Patient Protection Act and Sections  
23 420 through 426.1 of this title, improper completion of the  
24 application, or for a reason provided for in the Oklahoma Medical

1 Marijuana and Patient Protection Act and Sections 420 through 426.1  
2 of this title. If an application is rejected for failure to provide  
3 required information, the applicant shall have thirty (30) days to  
4 submit the required information for reconsideration. No additional  
5 application fee shall be charged for such reconsideration. Unless  
6 the Authority determines otherwise, an application that has been  
7 resubmitted but is still incomplete or contains errors that are not  
8 clerical or typographical in nature shall be denied.

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

13 4. Approval, rejection, denial or status-update letters shall  
14 be sent to the applicant in the same method the application was  
15 submitted to the Authority.

16 H. A license for a medical marijuana business, medical  
17 marijuana research facility, medical marijuana education facility or  
18 medical marijuana waste disposal facility shall not be issued to or  
19 held by:

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

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

24

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

6           4. A person under twenty-five (25) years of age;

7           5. A person licensed pursuant to this section who, during a  
8 period of licensure, or who, at the time of application, has failed  
9 to:

10           a. file taxes, interest or penalties due related to a  
11            medical marijuana business, or

12           b. pay taxes, interest or penalties due related to a  
13            medical marijuana business;

14           6. A sheriff, deputy sheriff, police officer or prosecuting  
15 officer, or an officer or employee of the Authority or municipality;

16           7. A person whose authority to be a caregiver, as defined in  
17 Section 427.2 of this title, has been revoked by the Authority; or

18           8. A person who was involved in the management or operations of  
19 any medical marijuana business, medical marijuana research facility,  
20 medical marijuana education facility or medical marijuana waste  
21 disposal facility that, after the initiation of a disciplinary  
22 action, has had a medical marijuana license revoked, not renewed, or  
23 surrendered during the five (5) years preceding submission of the  
24 application and for the following violations:

- 1 a. unlawful sales or purchases,
- 2 b. any fraudulent acts, falsification of records or
- 3 misrepresentation to the Authority, medical marijuana
- 4 patient licensees, caregiver licensees or medical
- 5 marijuana business licensees,
- 6 c. any grossly inaccurate or fraudulent reporting,
- 7 d. threatening or harming any medical marijuana patient,
- 8 caregiver, medical practitioner or employee of the
- 9 Authority,
- 10 e. knowingly or intentionally refusing to permit the
- 11 Authority access to premises or records,
- 12 f. using a prohibited, hazardous substance for processing
- 13 in a residential area,
- 14 g. criminal acts relating to the operation of a medical
- 15 marijuana business, or
- 16 h. any violations that endanger public health and safety
- 17 or product safety.

18 I. In investigating the qualifications of an applicant or a  
19 licensee, the Authority and municipalities may have access to  
20 criminal history record information furnished by a criminal justice  
21 agency subject to any restrictions imposed by such an agency.

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

1 K. All applicants and licensees shall submit information to the  
2 Authority in a full, faithful, truthful and fair manner. The  
3 Authority may recommend denial of an application where the applicant  
4 or licensee made misstatements, omissions, misrepresentations or  
5 untruths in the application or in connection with the background  
6 investigation of the applicant. This type of conduct may be grounds  
7 for administrative action against the applicant or licensee. Typos  
8 and scrivener errors shall not be grounds for denial.

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

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

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

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

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

9 P. A medical marijuana business license holder shall require  
10 all individuals employed under their license to be issued a  
11 credential pursuant to the provisions of Section ~~3 of this act~~  
12 427.14a of this title prior to employment.

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

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

20 B. For purposes of this act, the "application to transfer"  
21 shall include all information disclosing the ownership and other  
22 documentary requirements required of a new business license  
23 application to be submitted on behalf of the new owners of the  
24 license including, but not limited to, a detailed inventory of all

1 seeds, plant tissue, clones, plants, usable marijuana or trim,  
2 leaves and other plant matter, batches of extract, and marijuana  
3 concentrates that are to be transferred. Any attempt to transfer  
4 the medical marijuana business license, the ownership of the  
5 business license, or substantially all of the listed medical  
6 marijuana, medical marijuana concentrate, or medical marijuana  
7 products of a medical marijuana business outside of the normal  
8 course of business without approval from the Authority shall be  
9 grounds for revocation or nonrenewal of the license and denial,  
10 revocation, or renewal of current or future licenses or license  
11 applications with ownership held by any such person involved in the  
12 unlawful ownership transfer.

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

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

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

21

22 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY - CRIMINAL, dated  
23 04/05/2023 - DO PASS.

24

25