

An Act

ENROLLED HOUSE
BILL NO. 2179

By: Fetgatter and McDugle of
the House

and

Garvin and Stephens of the
Senate

An Act relating to medical marijuana; amending 63 O.S. 2021, Sections 421, 422, and 423, which relate to licensing requirements for medical marijuana dispensaries, commercial growers, and processors; modifying application fee for medical marijuana dispensaries; providing statutory reference for certain application fees; updating language; amending 63 O.S. 2021, Section 427.14, which relates to the Oklahoma Medical Marijuana and Patient Protection Act; establishing tiered licensing fees for medical marijuana commercial growers and processors; modifying application fees for medical marijuana dispensaries and laboratories; defining terms; updating language; and providing an effective date.

SUBJECT: Medical marijuana

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

SECTION 1. AMENDATORY 63 O.S. 2021, Section 421, is amended to read as follows:

Section 421. A. ~~The State Department of Health Oklahoma Medical Marijuana Authority shall, within thirty (30) days of passage of this initiative,~~ Oklahoma Medical Marijuana Authority shall, within thirty (30) days of passage of this initiative, make available on its website in an easy-to-find location an application for a medical marijuana dispensary license. The application fee to be paid by the applicant shall be ~~Two Thousand Five Hundred Dollars (\$2,500.00)~~ in the

amounts provided for in Section 427.14 of this title. A method of payment for the application fee shall be provided on the website of the ~~Department~~ Authority. Dispensary applicants must all be residents of Oklahoma. Any entity applying for a dispensary license must be owned by an Oklahoma resident and must be registered to do business in Oklahoma. The ~~Department~~ Authority shall have ninety (90) business days to review the application; approve, reject or deny the application; and mail the approval, rejection or denial letter stating reasons for the rejection or denial to the applicant.

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

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

2. The applicant, if applying as an individual, must show residency in the State of Oklahoma;

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

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

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

6. All applicants must disclose all ownership interests in the dispensary.

Applicants with a nonviolent felony conviction in the last two (2) years, any other felony conviction in the last five (5) years, inmates in the custody of the Department of Corrections or any person currently incarcerated shall not qualify for a medical marijuana dispensary license.

C. Licensed medical marijuana dispensaries shall be required to complete a monthly sales report to the ~~State Department of Health~~ Authority. This report shall be due on the fifteenth of each month and provide reporting on the previous month. This report shall detail the weight of marijuana purchased at wholesale and the weight of marijuana sold to licensed medical marijuana patients and licensed caregivers and account for any waste. The report shall

show total sales in dollars, tax collected in dollars, and tax due in dollars. The ~~State Department of Health~~ Authority shall have oversight and auditing responsibilities to ensure that all marijuana being grown is accounted for.

D. Only a licensed medical marijuana dispensary may conduct retail sales of marijuana or marijuana derivatives. Beginning on the effective date of this act, licensed medical marijuana dispensaries shall be authorized to package and sell pre-rolled marijuana to licensed medical marijuana patients and licensed caregivers. The products described in this subsection shall contain only the ground parts of the marijuana plant and shall not include marijuana concentrates or derivatives. The total net weight of each pre-roll packaged and sold by a medical marijuana dispensary shall not exceed one (1) gram. These products shall be tested, packaged and labeled in accordance with Oklahoma law and rules promulgated by the ~~State Commissioner of Health~~ Authority.

E. No medical marijuana dispensary shall offer or allow a medical marijuana patient licensee, caregiver licensee or other member of the public to handle or otherwise have physical contact with any medical marijuana not contained in a sealed or separate package. Provided, such prohibition shall not preclude an employee of the medical marijuana dispensary from handling loose or nonpackaged medical marijuana to be placed in packaging consistent with the Oklahoma Medical Marijuana and Patient Protection Act and the rules promulgated by the Authority for the packaging of medical marijuana for retail sale. Provided, further, such prohibition shall not prevent a medical marijuana dispensary from displaying samples of its medical marijuana in separate display cases, jars or other containers and allowing medical marijuana patient licensees and caregiver licensees the ability to handle or smell the various samples as long as the sample medical marijuana is used for display purposes only and is not offered for retail sale.

SECTION 2. AMENDATORY 63 O.S. 2021, Section 422, is amended to read as follows:

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

for the application fee shall be provided on the website of the Department Authority. The ~~State Department of Health Authority~~ shall have ninety (90) days to review the application; approve, reject or deny the application; and mail the approval, rejection or denial letter stating the reasons for the rejection or denial to the applicant.

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

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

2. The applicant, if applying as an individual, must show residency in the State of Oklahoma;

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

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

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

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

Applicants with a nonviolent felony conviction in the last two (2) years, any other felony conviction in the last five (5) years, inmates in the custody of the Department of Corrections or any person currently incarcerated shall not qualify for a commercial grower license.

C. A licensed medical marijuana commercial grower may sell marijuana to a licensed medical marijuana dispensary or a licensed medical marijuana processor. Further, sales by a licensed medical marijuana commercial grower shall be considered wholesale sales and shall not be subject to taxation. Under no circumstances may a licensed medical marijuana commercial grower sell marijuana directly to a licensed medical marijuana patient or licensed medical marijuana caregiver. A licensed medical marijuana commercial grower may only sell at the wholesale level to a licensed medical marijuana dispensary, a licensed medical marijuana commercial grower or a

licensed medical marijuana processor. If the federal government lifts restrictions on buying and selling marijuana between states, then a licensed medical marijuana commercial grower would be allowed to sell and buy marijuana wholesale from, or to, an out-of-state wholesale provider. A licensed medical marijuana commercial grower shall be required to complete a monthly yield and sales report to the ~~State Department of Health~~ Authority. This report shall be due on the fifteenth of each month and provide reporting on the previous month. This report shall detail the amount of marijuana harvested in pounds, the amount of drying or dried marijuana on hand, the amount of marijuana sold to licensed processors in pounds, the amount of waste in pounds, and the amount of marijuana sold to licensed medical marijuana dispensaries in pounds. Additionally, this report shall show total wholesale sales in dollars. The ~~State Department of Health~~ Authority shall have oversight and auditing responsibilities to ensure that all marijuana being grown by licensed medical marijuana commercial growers is accounted for.

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

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

SECTION 3. AMENDATORY 63 O.S. 2021, Section 423, is amended to read as follows:

Section 423. A. The ~~State Department of Health~~ Oklahoma Medical Marijuana Authority shall, ~~within thirty (30) days of passage of this initiative,~~ make available on its website in an easy-to-find location an application for a medical marijuana processing license. The ~~Department~~ Authority shall be authorized to issue two types of medical marijuana processor licenses based on the level of risk posed by the type of processing conducted:

1. Nonhazardous medical marijuana processor license; and

2. Hazardous medical marijuana processor license.

The application fee for a nonhazardous or hazardous medical marijuana processor license shall be ~~Two Thousand Five Hundred Dollars (\$2,500.00)~~ paid by the applicant in the amounts provided for in Section 427.14 of this title. A method of payment shall be provided on the website of the ~~Department~~ Authority. The ~~State Department of Health~~ Authority shall have ninety (90) days to review the application; approve, reject or deny the application; and mail the approval, rejection or denial letter stating the reasons for the rejection or denial to the applicant.

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

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

2. The applicant, if applying as an individual, must show residency in the State of Oklahoma;

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

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

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

6. All applicants must disclose all ownership interests in the processing operation.

Applicants with a nonviolent felony conviction in the last two (2) years, any other felony conviction in the last five (5) years, inmates in the custody of the Department of Corrections or any person currently incarcerated shall not qualify for a medical marijuana processing license.

C. 1. A licensed processor may take marijuana plants and distill or process these plants into concentrates, edibles, and other forms for consumption.

2. As required by subsection D of this section, the ~~State Department of Health Authority~~ shall, ~~within sixty (60) days of passage of this initiative,~~ make available a set of standards which shall be used by licensed processors in the preparation of edible marijuana products. The standards should be in line with current food preparation guidelines. No excessive or punitive rules may be established by the ~~State Department of Health Authority~~.

3. Up to two times a year, the ~~State Department of Health Authority~~ may inspect a processing operation and determine its compliance with the preparation standards. If deficiencies are found, a written report of the deficiency shall be issued to the licensed processor. The licensed processor shall have one (1) month to correct the deficiency or be subject to a fine of Five Hundred Dollars (\$500.00) for each deficiency.

4. A licensed processor may sell marijuana products it creates to a licensed dispensary or any other licensed processor. All sales by a licensed processor shall be considered wholesale sales and shall not be subject to taxation.

5. Under no circumstances may a licensed processor sell marijuana or any marijuana product directly to a licensed medical marijuana patient or licensed caregiver. However, a licensed processor may process cannabis into a concentrated form for a licensed medical marijuana patient for a fee.

6. Licensed processors shall be required to complete a monthly yield and sales report to the ~~State Department of Health Authority~~. This report shall be due on the fifteenth of each month and shall provide reporting on the previous month. This report shall detail the amount of marijuana and medical marijuana products purchased in pounds, the amount of marijuana cooked or processed in pounds, and the amount of waste in pounds. Additionally, this report shall show total wholesale sales in dollars. The ~~State Department of Health Authority~~ shall have oversight and auditing responsibilities to ensure that all marijuana being processed is accounted for.

D. The ~~Department~~ Authority shall oversee the inspection and compliance of licensed processors producing products with marijuana as an additive. The ~~State Department of Health Authority~~ shall be compelled to, within thirty (30) days of passage of this initiative, appoint twelve (12) Oklahoma residents to the Medical Marijuana Advisory Council, who are marijuana industry experts, to create a list of food safety standards for processing and handling medical

marijuana in Oklahoma. These standards shall be adopted by the ~~Department Authority~~ and the ~~Department Authority~~ may enforce these standards for licensed processors. The ~~Department Authority~~ shall develop a standards review procedure and these standards can be altered by calling another council of twelve (12) Oklahoma marijuana industry experts. A signed letter of twenty operating, licensed processors shall constitute a need for a new council and standards review.

E. If it becomes permissible under federal law, marijuana may be moved across state lines.

F. Any device used for the processing or consumption of medical marijuana shall be considered legal to be sold, manufactured, distributed and possessed. No merchant, wholesaler, manufacturer or individual may be unduly harassed or prosecuted for selling, manufacturing or possessing marijuana paraphernalia.

SECTION 4. AMENDATORY 63 O.S. 2021, Section 427.14, is amended to read as follows:

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

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

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

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

D. 1. The annual, nonrefundable ~~application~~ fee for a medical marijuana ~~business transporter~~ license shall be Two Thousand Five Hundred Dollars (\$2,500.00).

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

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

- (1) Tier 1: Up to ten thousand (10,000) square feet of canopy, the fee shall be Two Thousand Five Hundred Dollars (\$2,500.00),
- (2) Tier 2: Ten thousand one (10,001) square feet of canopy to twenty thousand (20,000) square feet of canopy, the fee shall be Five Thousand Dollars (\$5,000.00),
- (3) Tier 3: Twenty thousand one (20,001) square feet of canopy to forty thousand (40,000) square feet of canopy, the fee shall be Ten Thousand Dollars (\$10,000.00),
- (4) Tier 4: Forty thousand one (40,001) square feet of canopy to sixty thousand (60,000) square feet of canopy, the fee shall be Twenty Thousand Dollars (\$20,000.00),
- (5) Tier 5: Sixty thousand one (60,001) square feet of canopy to eighty thousand (80,000) square feet of canopy, the fee shall be Thirty Thousand Dollars (\$30,000.00),
- (6) Tier 6: Eighty thousand one (80,001) square feet of canopy to ninety-nine thousand nine hundred ninety-nine (99,999) square feet of canopy, the fee shall be Forty Thousand Dollars (\$40,000.00), and

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

b. For an outdoor medical marijuana grow facility:

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

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

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

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

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

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

(7) Tier 7: Forty (40) acres up to fifty (50) acres, the fee shall be Fifty Thousand Dollars (\$50,000.00), and

(8) Tier 8: If the amount of acreage exceeds fifty (50) acres, the fee shall be Fifty Thousand Dollars (\$50,000.00) plus an additional Two Hundred Fifty Dollars (\$250.00) per acre.

c. For a medical marijuana commercial grower that has a combination of both indoor and outdoor growing facilities at one location, the medical marijuana commercial grower shall be required to obtain a

separate license from the Authority for each type of grow operation and shall be subject to the licensing fees provided for in subparagraphs a and b of this paragraph.

d. As used in this paragraph:

- (1) "canopy" means the total surface area within a cultivation area that is dedicated to the cultivation of flowering marijuana plants. The surface area of the plant canopy must be calculated in square feet and measured and must include all of the area within the boundaries where the cultivation of the flowering marijuana plants occurs. If the surface of the plant canopy consists of noncontiguous areas, each component area must be separated by identifiable boundaries. If a tiered or shelving system is used in the cultivation area, the surface area of each tier or shelf must be included in calculating the area of the plant canopy. Calculation of the area of the plant canopy may not include the areas within the cultivation area that are used to cultivate immature marijuana plants and seedlings, prior to flowering, and that are not used at any time to cultivate mature marijuana plants. If the flowering plants are vertically grown in cylinders, the square footage of the canopy shall be measured by the circumference of the cylinder multiplied by the total length of the cylinder,
- (2) "greenhouse" means a structure located outdoors that is completely covered by a material that allows a controlled level of light transmission, and
- (3) "light deprivation" means a structure that has concrete floors and the ability to manipulate natural light.

3. The annual, nonrefundable license fee for a medical marijuana processor license shall be determined as follows:

- a. Tier 1: Zero (0) to ten thousand (10,000) pounds of biomass or production or use of up to one hundred (100) liters of cannabis concentrate, the annual fee shall be Two Thousand Five Hundred Dollars (\$2,500.00),
- b. Tier 2: Ten thousand one (10,001) pounds to fifty thousand (50,000) pounds of biomass or production or use from one hundred one (101) to three hundred fifty (350) liters of cannabis concentrate, the annual fee shall be Five Thousand Dollars (\$5,000.00),
- c. Tier 3: Fifty thousand one (50,001) pounds to one hundred fifty thousand (150,000) pounds of biomass or production or use from three hundred fifty-one (351) to six hundred fifty (650) liters of cannabis concentrate, the annual fee shall be Ten Thousand Dollars (\$10,000.00),
- d. Tier 4: One hundred fifty thousand one (150,001) pounds to three hundred thousand (300,000) pounds of biomass or production or use from six hundred fifty-one (651) to one thousand (1,000) liters of cannabis concentrate, the annual fee shall be Fifteen Thousand Dollars (\$15,000.00), and
- e. Tier 5: More than three hundred thousand one (300,001) pounds of biomass or production or use in excess of one thousand one (1,001) liters of cannabis concentrate, the annual fee shall be Twenty Thousand Dollars (\$20,000.00).

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

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

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

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

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

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

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

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

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

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

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

- a. twenty-five (25) years of age or older,
- b. if applying as an individual, proof that the applicant is an Oklahoma resident pursuant to paragraph 11 of this subsection,
- c. if applying as an entity, proof that seventy-five percent (75%) of all members, managers, executive officers, partners, board members or any other form of

business ownership are Oklahoma residents pursuant to paragraph 11 of this subsection,

- d. if applying as an individual or entity, proof that the individual or entity is registered to conduct business in the State of Oklahoma,
- e. disclosure of all ownership interests pursuant to the Oklahoma Medical Marijuana and Patient Protection Act, and
- f. proof that the medical marijuana business, medical marijuana research facility, medical marijuana education facility and medical marijuana waste disposal facility applicant or licensee has not been convicted of a nonviolent felony in the last two (2) years, or any other felony conviction within the last five (5) years, is not a current inmate in the custody of the Department of Corrections, or currently incarcerated in a jail or corrections facility;

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

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

- a. individual applicants applying on their own behalf,
- b. individuals applying on behalf of an entity,
- c. all principal officers of an entity, and

- d. all owners of an entity as defined by the Oklahoma Medical Marijuana and Patient Protection Act;

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

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

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

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
- 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 required information, the applicant shall have thirty (30) days to submit the required information for reconsideration. No additional application fee shall be charged for such reconsideration. Unless the ~~Department~~ Authority determines otherwise, an application that has been resubmitted but is still incomplete or contains errors that are not clerical or typographical in nature shall be denied.

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

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

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

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

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

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

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

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

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

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

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

8. A person who was involved in the management or operations of any medical marijuana business, medical marijuana research facility, medical marijuana education facility or medical marijuana waste disposal facility that, after the initiation of a disciplinary action, has had a medical marijuana license revoked, not renewed, or

surrendered during the five (5) years preceding submission of the application and for the following violations:

- a. unlawful sales or purchases,
- b. any fraudulent acts, falsification of records or misrepresentation to the Authority, medical marijuana patient licensees, caregiver licensees or medical marijuana business licensees,
- c. any grossly inaccurate or fraudulent reporting,
- d. threatening or harming any medical marijuana patient, caregiver, medical practitioner or employee of the ~~Department~~ Authority,
- e. knowingly or intentionally refusing to permit the ~~Department~~ Authority access to premises or records,
- f. using a prohibited, hazardous substance for processing in a residential area,
- g. criminal acts relating to the operation of a medical marijuana business, or
- h. any violations that endanger public health and safety or product safety.

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

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

K. All applicants and licensees shall submit information to the ~~Department~~ and Authority in a full, faithful, truthful and fair manner. The ~~Department~~ and Authority may recommend denial of an application where the applicant or licensee made misstatements, omissions, misrepresentations or untruths in the application or in connection with the background investigation of the applicant. This type of conduct may be grounds for administrative action against the

applicant or licensee. Typos and scrivener errors shall not be grounds for denial.

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

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

N. A medical marijuana business, medical marijuana research facility, medical marijuana education facility or medical marijuana waste disposal facility that attempts to renew its license after the expiration date of the license shall pay a late renewal fee in an amount to be determined by the ~~Department~~ Authority to reinstate the license. Late renewal fees are nonrefundable. A license that has been expired for more than ninety (90) days shall not be renewed.

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

SECTION 5. This act shall become effective June 1, 2023.

Passed the House of Representatives the 19th day of May, 2022.

Presiding Officer of the House
of Representatives

Passed the Senate the 20th day of May, 2022.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____