

1 ENGROSSED SENATE
2 BILL NO. 1039

3 By: Alvord of the Senate

4 and

5 Cantrell of the House

6 An Act relating to medical marijuana license;
7 amending 63 O.S. 2021, Sections 420, as amended by
8 Section 1, Chapter 182, O.S.L. 2024, and 427.14, as
9 last amended by Section 1, Chapter 342, O.S.L. 2024
(63 O.S. Supp. 2024, Sections 420 and 427.14), which
10 relate to medical marijuana patient license and
medical marijuana business license; modifying grounds
for certain denials; updating statutory references;
and providing an effective date.

11
12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 1. AMENDATORY 63 O.S. 2021, Section 420, as
14 amended by Section 1, Chapter 182, O.S.L. 2024 (63 O.S. Supp. 2024,
15 Section 420), is amended to read as follows:

16 Section 420. A. A person in possession of a state-issued
17 medical marijuana patient license shall be able to:

18 1. Consume marijuana legally;

19 2. Legally possess up to three (3) ounces or eighty-four and
20 nine-tenths (84.9) grams of marijuana on their person;

21 3. Legally possess six mature marijuana plants and the
22 harvested marijuana therefrom;

23 4. Legally possess six seedling plants;

1 5. Legally possess one (1) ounce or twenty-eight and three
2 tenths (28.3) grams of concentrated marijuana;

3 6. Legally possess seventy-two (72) ounces or two thousand
4 thirty-seven and six-tenths (2037.6) grams of edible marijuana;

5 7. Legally possess up to eight (8) ounces or two hundred
6 twenty-six and four-tenths (226.4) grams of marijuana in their
7 residence; and

8 8. Legally possess seventy-two (72) ounces of topical
9 marijuana.

10 B. Possession of up to one and one-half (1.5) ounces or forty-
11 two and forty-five one-hundredths (42.45) grams of marijuana by
12 persons who can state a medical condition, but are not in possession
13 of a state-issued medical marijuana patient license, shall
14 constitute a misdemeanor offense punishable by a fine not to exceed
15 Four Hundred Dollars (\$400.00) and shall not be subject to
16 imprisonment for the offense. Any law enforcement officer who comes
17 in contact with a person in violation of this subsection and who is
18 satisfied as to the identity of the person, as well as any other
19 pertinent information the law enforcement officer deems necessary,
20 shall issue to the person a written citation containing a notice to
21 answer the charge against the person in the appropriate court. Upon
22 receiving the written promise of the alleged violator to answer as
23 specified in the citation, the law enforcement officer shall release

1 the person upon personal recognizance unless there has been a
2 violation of another provision of law.

3 C. The Oklahoma Medical Marijuana Authority shall be
4 established which shall receive applications for medical marijuana
5 patient and caregiver license recipients, dispensaries, growers, and
6 processors within sixty (60) days of the passage of this initiative.

7 D. The Authority shall, within thirty (30) days of passage of
8 this initiative, make available on its website, in an easy-to-find
9 location, an application for a medical marijuana patient license.

10 The license shall be valid for two (2) years. The biannual
11 application fee shall be One Hundred Dollars (\$100.00), or Twenty
12 Dollars (\$20.00) for individuals on Medicaid, Medicare or
13 SoonerCare. The methods of payment shall be provided on the website
14 of the Authority. Reprints of the medical marijuana patient license
15 shall be Twenty Dollars (\$20.00).

16 E. A short-term medical marijuana patient license application
17 shall also be made available on the website of the Authority. A
18 short-term medical marijuana patient license shall be granted to any
19 applicant who can meet the requirements for a two-year medical
20 marijuana patient license, but whose physician recommendation for
21 medical marijuana is only valid for sixty (60) days. Short-term
22 medical marijuana patient licenses shall be issued for sixty (60)
23 days. The fee for a short-term medical marijuana patient license,
24 reprints of the short-term medical marijuana patient license, and

1 the procedure for extending or renewing the license shall be
2 determined by the Executive Director of the Authority.

3 F. A temporary medical marijuana patient license application
4 shall also be made available on the website of the Authority for
5 residents of other states. Temporary medical marijuana patient
6 licenses shall be granted to any medical marijuana license holders
7 from other states, provided that such states have state-regulated
8 medical marijuana programs, and applicants can prove they are
9 members of such programs. Temporary medical marijuana patient
10 licenses shall be issued for thirty (30) days. The cost for a
11 temporary license shall be One Hundred Dollars (\$100.00). Renewal
12 shall be granted with resubmission of a new application. No
13 additional criteria shall be required. Reprints of the temporary
14 medical marijuana patient license shall be Twenty Dollars (\$20.00).

15 G. Medical marijuana patient license applicants shall submit
16 their applications to the Authority for approval. The applicant
17 shall be a resident of this state and shall prove residency by a
18 valid driver license, utility bills, or other accepted methods.

19 H. The Authority shall review the medical marijuana patient
20 license application; approve, reject, or deny the application; and
21 mail the approval, rejection, or denial letter stating any reasons
22 for rejection, to the applicant within fourteen (14) business days
23 of receipt of the application. Approved applicants shall be issued
24 a medical marijuana patient license which shall act as proof of his

1 or her approved status. Applications may only be rejected or denied
2 based on the applicant not meeting ~~stated criteria or improper~~
3 ~~completion of the application the standards set forth in the~~
4 provisions of the Oklahoma Medical Marijuana and Patient Protection
5 Act and Sections 420 through 427.28 of this title, improper
6 completion of the application, unpaid license or application fees,
7 or for a reason provided for in the provisions of the Oklahoma
8 Medical Marijuana and Patient Protection Act and Sections 420
9 through 427.28 of this title. If an application is rejected for
10 failure to provide required information, the applicant shall have
11 thirty (30) days to submit the required information for
12 reconsideration. Unless the Authority determines otherwise, an
13 application that has been resubmitted but contains errors or
14 omissions that are not clerical or typographical in nature shall be
15 denied. The Authority shall deny any application that has been
16 submitted more than once with any errors or omissions that are not
17 clerical or typographical in nature.

18 I. The Authority shall make available, both on its website and
19 through a telephone verification system, an easy method to validate
20 the authenticity of the medical marijuana patient license by the
21 unique twenty-four-character identification number.

22 J. The Authority shall ensure that all medical marijuana
23 patient and caregiver records and information are sealed to protect
24 the privacy of medical marijuana patient license applicants.

1 K. A caregiver license shall be made available for qualified
2 caregivers of a medical marijuana patient license holder who is
3 homebound. As provided in Section 427.11 of this title, the
4 caregiver license shall provide the caregiver the same rights as the
5 medical marijuana patient licensee including the ability to possess
6 marijuana, marijuana products and mature and immature plants or
7 cultivated medical marijuana pursuant to the Oklahoma Medical
8 Marijuana and Patient Protection Act, but excluding the ability to
9 use marijuana or marijuana products unless the caregiver has a
10 medical marijuana patient license. Applicants for a caregiver
11 license shall submit proof of the license status and homebound
12 status of the medical marijuana patient and proof that the applicant
13 is the designee of the medical marijuana patient. The applicant
14 shall also submit proof that he or she is eighteen (18) years of age
15 or older and proof of his or her state residency. This shall be the
16 only criteria for a caregiver license. A licensed caregiver shall
17 not cultivate medical marijuana for more than five medical marijuana
18 patient licensees and shall not charge a medical marijuana patient
19 licensee for cultivating medical marijuana in excess of the actual
20 costs incurred in cultivating the medical marijuana.

21 L. All applicants for a medical marijuana patient license shall
22 be eighteen (18) years of age or older. A special exception shall
23 be granted to an applicant under the age of eighteen (18); however,

1 these applications shall be signed by two physicians and the parent
2 or legal guardian of the applicant.

3 M. All applications for a medical marijuana patient license
4 shall be signed by an Oklahoma physician licensed by and in good
5 standing with the State Board of Medical Licensure and Supervision,
6 the State Board of Osteopathic Examiners, or the Board of Podiatric
7 Medical Examiners. There are no qualifying conditions. A medical
8 marijuana patient license shall be recommended according to the
9 accepted standards a reasonable and prudent physician would follow
10 when recommending or approving any medication. No physician may be
11 unduly stigmatized, penalized, subjected to discipline, sanctioned,
12 reprimanded or harassed for signing a medical marijuana patient
13 license application~~, provided,~~ provided the physician acted in accordance
14 with the provisions of this subsection and all other rules governing
15 the medical license of the physician in this state.

16 N. Counties and cities may enact medical marijuana guidelines
17 allowing medical marijuana patient license holders or caregiver
18 license holders to exceed the state limits set forth in subsection A
19 of this section.

20 SECTION 2. AMENDATORY 63 O.S. 2021, Section 427.14, as
21 last amended by Section 1, Chapter 342, O.S.L. 2024 (63 O.S. Supp.
22 2024, 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. 1. The annual, nonrefundable fee for a medical marijuana
16 transporter license shall be Two Thousand Five Hundred Dollars
17 (\$2,500.00).

18 2. The initial, nonrefundable fee for a medical marijuana
19 commercial grower license shall be calculated based upon the total
20 amount of square feet of canopy or acres the grower estimates will
21 be harvested, transferred, or sold for the year. The annual,
22 nonrefundable license fee shall be based upon the total amount of
23 square feet of canopy or acres harvested, transferred, or sold by

1 the grower during the previous twelve (12) months. The amount of
2 the fees shall be determined as follows:

3 a. For an indoor, greenhouse, or light deprivation

4 medical marijuana grow facility:

5 (1) Tier 1: Up to ten thousand (10,000) square feet
6 of canopy, the fee shall be Two Thousand Five

7 Hundred Dollars (\$2,500.00),

8 (2) Tier 2: Ten thousand one (10,001) square feet of
9 canopy to twenty thousand (20,000) square feet of
10 canopy, the fee shall be Five Thousand Dollars
11 (\$5,000.00),

12 (3) Tier 3: Twenty thousand one (20,001) square feet
13 of canopy to forty thousand (40,000) square feet
14 of canopy, the fee shall be Ten Thousand Dollars
15 (\$10,000.00),

16 (4) Tier 4: Forty thousand one (40,001) square feet
17 of canopy to sixty thousand (60,000) square feet
18 of canopy, the fee shall be Twenty Thousand
19 Dollars (\$20,000.00),

20 (5) Tier 5: Sixty thousand one (60,001) square feet
21 of canopy to eighty thousand (80,000) square feet
22 of canopy, the fee shall be Thirty Thousand
23 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: Less than two and one-half (2 1/2) acres, the fee shall be Two Thousand Five Hundred Dollars (\$2,500.00),

(2) Tier 2: More than 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: More than five (5) acres up to ten (10) acres, the fee shall be Ten Thousand Dollars (\$10,000.00).

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

- (5) Tier 5: More than twenty (20) acres up to thirty (30) acres, the fee shall be Thirty Thousand Dollars (\$30,000.00),
- (6) Tier 6: More than thirty (30) acres up to forty (40) acres, the fee shall be Forty Thousand Dollars (\$40,000.00),
- (7) Tier 7: More than 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

1 cultivation of flowering marijuana plants. The
2 surface area of the plant canopy must be
3 calculated in square feet and measured and must
4 include all of the area within the boundaries
5 where the cultivation of the flowering marijuana
6 plants occurs. If the surface of the plant
7 canopy consists of noncontiguous areas, each
8 component area must be separated by identifiable
9 boundaries. If a tiered or shelving system is
10 used in the cultivation area, the surface area of
11 each tier or shelf must be included in
12 calculating the area of the plant canopy.

13 Calculation of the area of the plant canopy may
14 not include the areas within the cultivation area
15 that are used to cultivate immature marijuana
16 plants and seedlings, prior to flowering, and
17 that are not used at any time to cultivate mature
18 marijuana plants. If the flowering plants are
19 vertically grown in cylinders, the square footage
20 of the canopy shall be measured by the
21 circumference of the cylinder multiplied by the
22 total length of the cylinder,

- 23 (2) "greenhouse" means a structure located outdoors
24 that is completely covered by a material that

1 allows a controlled level of light transmission,
2 and

3 (3) "light deprivation" means a structure that has
4 concrete floors and the ability to manipulate
5 natural light.

6 3. The initial, nonrefundable fee for a medical marijuana
7 processor license shall be Two Thousand Five Hundred Dollars
8 (\$2,500.00). The annual, nonrefundable license fee for a medical
9 marijuana processor license shall be determined based on the
10 previous twelve (12) months as follows:

11 a. Tier 1: The transfer or sale of zero (0) to ten
12 thousand (10,000) pounds of biomass or the production,
13 transfer, or sale of up to one hundred (100) liters of
14 cannabis concentrate, whichever is greater, the annual
15 fee shall be Two Thousand Five Hundred Dollars
16 (\$2,500.00),

17 b. Tier 2: The transfer or sale of ten thousand one
18 (10,001) pounds to fifty thousand (50,000) pounds of
19 biomass or the production, transfer, or sale of one
20 hundred one (101) to three hundred fifty (350) liters
21 of cannabis concentrate, whichever is greater, the
22 annual fee shall be Five Thousand Dollars (\$5,000.00),

23 c. Tier 3: The transfer or sale of fifty thousand one
24 (50,001) pounds to one hundred fifty thousand

(150,000) pounds of biomass or the production, transfer, or sale of three hundred fifty-one (351) to six hundred fifty (650) liters of cannabis concentrate, whichever is greater, the annual fee shall be Ten Thousand Dollars (\$10,000.00),

- d. Tier 4: The transfer or sale of one hundred fifty thousand one (150,001) pounds to three hundred thousand (300,000) pounds of biomass or the production, transfer, or sale of six hundred fifty-one (651) to one thousand (1,000) liters of cannabis concentrate, whichever is greater, the annual fee shall be Fifteen Thousand Dollars (\$15,000.00), and
- e. Tier 5: The transfer or sale of more than three hundred thousand one (300,001) pounds of biomass or the production, transfer, or sale 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 in nonliquid form, every one thousand (1,000) grams of concentrated marijuana shall be calculated as one (1) liter of cannabis concentrate.

23 4. The initial, nonrefundable fee for a medical marijuana
24 dispensary license shall be Two Thousand Five Hundred Dollars

1 (\$2,500.00). The annual, nonrefundable license fee for a medical
2 marijuana dispensary license shall be calculated at ten percent
3 (10%) of the sum of twelve (12) calendar months of the combined
4 annual state sales tax and state excise tax of the dispensary during
5 the previous twelve (12) months. The minimum fee shall be not less
6 than Two Thousand Five Hundred Dollars (\$2,500.00) and the maximum
7 fee shall not exceed Ten Thousand Dollars (\$10,000.00).

8 5. The annual, nonrefundable license fee for a medical
9 marijuana testing laboratory shall be Twenty Thousand Dollars
10 (\$20,000.00).

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

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

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

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

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

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

4 6. All applications for a transporter license, initial
5 dispensary license, initial processor license, or laboratory license
6 shall be accompanied by a full remittance for the whole amount of
7 the license fee as set forth in subsection D of this section. All
8 submissions of grower applications, renewal processor applications,
9 and renewal dispensary applications shall be accompanied by a
10 remittance of a fee of Two Thousand Five Hundred Dollars
11 (\$2,500.00). The Authority shall invoice license applicants, if
12 applicable, for any additional licensing fees owed pursuant to
13 subsection D of this section prior to approval of a license
14 application. License fees are nonrefundable;

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

- 17 a. twenty-five (25) years of age or older,
- 18 b. if applying as an individual, proof that the applicant
19 is a resident of this state pursuant to paragraph 11
20 12 of this subsection,
- 21 c. if applying as an entity, proof that seventy-five
22 percent (75%) of all members, managers, executive
23 officers, partners, board members or any other form of

1 business ownership are residents of this state
2 pursuant to paragraph ~~11~~ 12 of this subsection,
3 d. if applying as an individual or entity, proof that the
4 individual or entity is registered to conduct business
5 in this state,
6 e. disclosure of all ownership interests pursuant to the
7 Oklahoma Medical Marijuana and Patient Protection Act,
8 and
9 f. proof that the medical marijuana business, medical
10 marijuana research facility, medical marijuana
11 education facility and medical marijuana waste
12 disposal facility applicant or licensee has not been
13 convicted of a nonviolent felony in the last two (2)
14 years, or any other felony conviction within the last
15 five (5) years, is not a current inmate in the custody
16 of the Department of Corrections, or currently
17 incarcerated in a jail or corrections facility.

18 Upon reasonable suspicion that a medical marijuana business licensee
19 is illegally growing, processing, transferring, selling, disposing,
20 or diverting marijuana, the Authority, the Oklahoma State Bureau of
21 Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of
22 Investigation (OSBI), or the Attorney General may subpoena documents
23 necessary to establish the personal identifying information of all
24 owners and individuals with any ownership interest in the business;

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

9 9. No medical marijuana business premises is permitted to have
10 multiple licenses of the same type pursuant to the licensing
11 requirements of this section, excluding the following:

- 12 a. a commercial grower with a combination of an indoor or
13 outdoor growing facility on one parcel of land,
- 14 b. a licensed medical marijuana processor used by
15 multiple licensees, and
- 16 c. a licensed medical marijuana business that has an
17 approved application by the Authority while the new
18 business seeks registration from the Oklahoma State
19 Bureau of Narcotics and Dangerous Drugs Control
20 pursuant to Section 2 427.14c of this ~~act~~ title;

21 10. All applicants for a medical marijuana business license,
22 research facility license or education facility license authorized
23 by the Oklahoma Medical Marijuana and Patient Protection Act, or for
24 a renewal of such license, shall undergo a national fingerprint-

1 based background check conducted by the Oklahoma State Bureau of
2 Investigation within thirty (30) days prior to the application for
3 the license, including:

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

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

12 12. In order to be considered a resident of this state for
13 purposes of a medical marijuana business application, all applicants
14 shall provide proof of state residency for at least two (2) years
15 immediately preceding the date of application or five (5) years of
16 continuous state residency during the preceding twenty-five (25)
17 years immediately preceding the date of application. Sufficient
18 documentation of proof of residency shall include a combination of
19 the following:

- 20 a. an unexpired state-issued driver license,
- 21 b. a state-issued identification card,
- 22 c. a utility bill preceding the date of application,
23 excluding cellular telephone and Internet bills,

- d. a residential property deed to property in this state,
and
- e. a rental agreement preceding the date of application
for residential property located in this state.

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

8 13. All license applicants shall be required to submit a
9 registration with the Oklahoma State Bureau of Narcotics and
10 Dangerous Drugs Control as provided in Sections 2-302 through 2-304
11 2-301 through 2-309 of this title;

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

15 a. front of a state-issued driver license,

16 b. front of a state-issued identification card,

17 c. a United States passport or other photo identification

18 issued by the United States government, or

19 d. a tribal identification card approved for

20 identification purposes by the Department of Public

21 Safety;

22 15. All applicants shall submit an applicant photograph; and

23 16. All applicants for a medical marijuana business license

24 seeking to operate a commercial growing operation shall file along

1 with their application a bond as prescribed in Section 427.26 of
2 this title.

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

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

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

17 Applications may only be rejected or denied based on the applicant
18 not meeting the standards set forth in the provisions of the
19 Oklahoma Medical Marijuana and Patient Protection Act and Sections
20 420 through ~~426.1~~ 427.28 of this title, improper completion of the
21 application, unpaid license or application fees, or for a reason
22 provided for in the Oklahoma Medical Marijuana and Patient
23 Protection Act and Sections 420 through ~~426.1~~ 427.28 of this title.
24 If an application is rejected for failure to provide required

1 information, the applicant shall have thirty (30) days to submit the
2 required information for reconsideration. Unless the Authority
3 determines otherwise, an application that has been resubmitted but
4 is still incomplete or contains errors that are not clerical or
5 typographical in nature shall be denied. The Authority shall deny
6 any application that has been submitted more than once with any
7 errors or omissions that are not clerical or typographical in
8 nature. The lack of a certificate of occupancy shall not be the
9 sole cause for denial of an application.

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

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

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

- 21 1. A person until all required fees have been paid;
- 22 2. A person who 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 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:

- 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 Authority,
- e. knowingly or intentionally refusing to permit the 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 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.

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 of Five
24 Hundred Dollars (\$500.00) per week that the license is expired.

1 Late renewal fees are nonrefundable. A license that has been
2 expired for more than sixty (60) calendar days shall not be renewed.
3 Only license renewal applications submitted at least sixty (60)
4 calendar days prior to the expiration date shall be considered
5 timely submitted and subject to the provisions of subsection F of
6 this section. A medical marijuana business license shall remain
7 unexpired during the pendency of the application for renewal
8 provided that such application was timely submitted. The Authority
9 shall allow renewal applications to be submitted at least one
10 hundred twenty (120) calendar days prior to the expiration date of a
11 medical marijuana business license.

12 O. Except as provided by this section, immediately upon
13 expiration of a license, any medical marijuana business, medical
14 marijuana research facility, medical marijuana education facility,
15 or medical marijuana waste disposal facility shall cease all
16 possession, transfer, or sale of medical marijuana or medical
17 marijuana products. Any continued possession, sale, or transfer
18 shall subject the business owners and operators to felony
19 prosecution pursuant to the Uniform Controlled Dangerous Substances
20 Act.

21 P. A medical marijuana business license holder shall require
22 all individuals employed under his or her license to be issued a
23 credential pursuant to the provisions of Section 427.14b of this
24 title prior to employment.

1 Q. An original medical marijuana business license issued on or
2 after June 26, 2018, by the Authority, for a medical marijuana
3 commercial grower, a medical marijuana processor or a medical
4 marijuana dispensary shall be deemed to have been grandfathered into
5 the location on the date the original license was first issued for
6 purposes of determining the authority of the business to conduct and
7 continue the same type of business at that location under a license
8 issued by the Authority, except as may be provided in Sections 425
9 and 426.1 of this title. Any change in ownership after the original
10 medical marijuana business license has been issued by the Authority
11 shall be construed by the Authority to be a continuation of the same
12 type of business originally licensed at that location. Nothing
13 shall authorize the Authority to deny issuance or renewal of a
14 license or transfer of license due to a change in ownership for the
15 same business location previously licensed, except when a revocation
16 is otherwise authorized by law or a protest is made under the
17 municipal compliance provisions of Section 426.1 of this title.

18 R. A medical marijuana business license holder shall require
19 all individuals employed under their license to be issued a
20 credential pursuant to the provisions of Section 427.14b of this
21 title prior to employment.

22 S. The Executive Director of the Authority may promulgate rules
23 to implement the provisions of this section including, but not
24 limited to, required application materials to be submitted by the

1 applicant and utilized by the Authority to determine medical
2 marijuana business licensing fees pursuant to this section.

3 SECTION 3. This act shall become effective November 1, 2025.

4 Passed the Senate the 26th day of March, 2025.

5

6

7 Presiding Officer of the Senate

8 Passed the House of Representatives the ____ day of _____,
9 2025.

10

11

12 Presiding Officer of the House
of Representatives