

1 ENGROSSED HOUSE  
2 BILL NO. 2179

By: Fetgatter and McDugle of  
the House

3 and

4 Paxton of the Senate  
5  
6

7 An Act relating to medical marijuana; amending 63  
8 O.S. 2021, Section 422, which relates to licensing  
9 requirements for medical marijuana commercial  
10 growers; providing statutory reference for  
11 application fee; updating language; amending 63 O.S.  
12 2021, Section 427.14, which relates to the Oklahoma  
13 Medical Marijuana and Patient Protection Act;  
14 establishing tiered licensing fee schedule for  
15 medical marijuana commercial growers; defining terms;  
16 updating language; and declaring an emergency.

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

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

20 Section 422. A. ~~The State Department of Health shall, within~~  
21 ~~thirty (30) days of passage of this initiative,~~ Oklahoma Medical  
22 Marijuana Authority shall make available on its website in an easy-  
23 to-find location an application for a medical marijuana commercial  
24 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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 23 1. Medical marijuana commercial grower;
- 24 2. Medical marijuana processor;

- 1 3. Medical marijuana dispensary;
- 2 4. Medical marijuana transporter; and
- 3 5. Medical marijuana testing laboratory.

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

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

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

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

16 a. For an indoor medical marijuana grow facility:

17 (1) Tier 1: Up to one thousand six hundred sixty-  
18 seven (1,667) square feet of canopy, the fee  
19 shall be Two Thousand Five Hundred Dollars  
20 (\$2,500.00),

21 (2) Tier 2: One thousand six hundred sixty-eight  
22 (1,668) square feet of canopy to two thousand  
23 four hundred ninety-nine (2,499) square feet of  
24 canopy, the fee shall be calculated at One Dollar

1 and fifty cents (\$1.50) per square foot of  
2 canopy,

3 (3) Tier 3: Two thousand five hundred (2,500) square  
4 feet of canopy to four thousand nine hundred  
5 ninety-nine (4,999) square feet of canopy, the  
6 fee shall be calculated at One Dollar and fifty  
7 cents (\$1.50) per square foot of canopy,

8 (4) Tier 4: Five thousand (5,000) square feet of  
9 canopy to nine thousand nine hundred ninety-nine  
10 (9,999) square feet of canopy, the fee shall be  
11 calculated at One Dollar and fifty cents (\$1.50)  
12 per square foot of canopy,

13 (5) Tier 5: Ten thousand (10,000) square feet of  
14 canopy to nineteen thousand nine hundred ninety-  
15 nine (19,999) square feet of canopy, the fee  
16 shall be calculated at One Dollar and fifty cents  
17 (\$1.50) per square foot of canopy,

18 (6) Tier 6: Twenty thousand (20,000) square feet of  
19 canopy to twenty-nine thousand nine hundred  
20 ninety-nine (29,999) square feet of canopy, the  
21 fee shall be calculated at One Dollar and fifty  
22 cents (\$1.50) per square foot of canopy,

23 (7) Tier 7: Thirty thousand (30,000) square feet of  
24 canopy to forty-nine thousand nine hundred

1                   ninety-nine (49,999) square feet of canopy, the  
2                   fee shall be calculated at One Dollar and fifty  
3                   cents (\$1.50) per square foot of canopy, and

4                   (8) Tier 8: Fifty thousand (50,000) square feet of  
5                   canopy and beyond, the fee shall be calculated at  
6                   One Dollar and fifty cents (\$1.50) per square  
7                   foot of canopy,

8                   b. For a greenhouse or a light deprivation medical  
9                   marijuana grow facility:

10                   (1) Tier 1: Up to one thousand six hundred sixty-  
11                   seven (1,667) square feet of canopy, the fee  
12                   shall be Two Thousand Five Hundred Dollars  
13                   (\$2,500.00),

14                   (2) Tier 2: One thousand six hundred sixty-eight  
15                   (1,668) square feet of canopy to two thousand  
16                   four hundred ninety-nine (2,499) square feet of  
17                   canopy, the fee shall be calculated at One Dollar  
18                   and fifty cents (\$1.50) per square foot of  
19                   canopy,

20                   (3) Tier 3: Two thousand five hundred (2,500) square  
21                   feet of canopy to four thousand nine hundred  
22                   ninety-nine (4,999) square feet of canopy, the  
23                   fee shall be calculated at One Dollar and fifty  
24                   cents (\$1.50) per square foot of canopy,

1           (4) Tier 4: Five thousand (5,000) square feet of  
2           canopy to nine thousand nine hundred ninety-nine  
3           (9,999) square feet of canopy, the fee shall be  
4           calculated at One Dollar and fifty cents (\$1.50)  
5           per square foot of canopy,

6           (5) Tier 5: Ten thousand (10,000) square feet of  
7           canopy to nineteen thousand nine hundred ninety-  
8           nine (19,999) square feet of canopy, the fee  
9           shall be calculated at One Dollar and fifty cents  
10           (\$1.50) per square foot of canopy,

11           (6) Tier 6: Twenty thousand (20,000) square feet of  
12           canopy to twenty-nine thousand nine hundred  
13           ninety-nine (29,999) square feet of canopy, the  
14           fee shall be calculated at One Dollar and fifty  
15           cents (\$1.50) per square foot of canopy,

16           (7) Tier 7: Thirty thousand (30,000) square feet of  
17           canopy to forty-nine thousand nine hundred  
18           ninety-nine (49,999) square feet of canopy, the  
19           fee shall be calculated at One Dollar and fifty  
20           cents (\$1.50) per square foot of canopy, and

21           (8) Tier 8: Fifty thousand (50,000) square feet of  
22           canopy and beyond, the fee shall be calculated at  
23           One Dollar and fifty cents (\$1.50) per square  
24           foot of canopy,



1        c. For an outdoor medical marijuana grow facility:

2        (1) Tier 1: Up to eighty-three thousand three  
3        hundred thirty-four (83,334) square feet of  
4        canopy, the fee shall be Two Thousand Five  
5        Hundred Dollars (\$2,500.00),

6        (2) Tier 2: Eighty-three thousand three hundred  
7        thirty-five (83,335) square feet of canopy to two  
8        hundred seventeen thousand seven hundred ninety-  
9        nine (217,799) square feet of canopy, the fee  
10       shall be calculated at three cents (\$0.03) per  
11       square foot of canopy,

12       (3) Tier 3: Two hundred seventeen thousand eight  
13       hundred (217,800) square feet of canopy to four  
14       hundred thirty-five thousand five hundred ninety-  
15       nine (435,599) square feet of canopy, the fee  
16       shall be calculated at three cents (\$0.03) per  
17       square foot of canopy,

18       (4) Tier 4: Four hundred thirty-five thousand six  
19       hundred (435,600) square feet of canopy to eight  
20       hundred seventy-one thousand one hundred ninety-  
21       nine (871,199) square feet of canopy, the fee  
22       shall be calculated at three cents (\$0.03) per  
23       square foot of canopy,

24

1           (5) Tier 5: Eight hundred seventy-one thousand two  
2           hundred (871,200) square feet of canopy to one  
3           million three hundred six thousand seven hundred  
4           ninety-nine (1,306,799) square feet of canopy,  
5           the fee shall be calculated at three cents  
6           (\$0.03) per square foot of canopy,

7           (6) Tier 6: One million three hundred six thousand  
8           eight hundred (1,306,800) square feet of canopy  
9           to one million seven hundred forty-two thousand  
10           three hundred ninety-nine (1,742,399) square feet  
11           of canopy, the fee shall be calculated at three  
12           cents (\$0.03) per square foot of canopy,

13           (7) Tier 7: One million seven hundred forty-two  
14           thousand four hundred (1,742,400) square feet of  
15           canopy to two million one hundred seventy-seven  
16           thousand nine hundred ninety-nine (2,177,999)  
17           square feet of canopy, the fee shall be  
18           calculated at three cents (\$0.03) per square foot  
19           of canopy, and

20           (8) Tier 8: Two million one hundred seventy-eight  
21           thousand (2,178,000) square feet of canopy and  
22           beyond, the fee shall be calculated at three  
23           cents (\$0.03) per square foot of canopy, or  
24

1        d. For a medical marijuana grow facility that produces  
2        clones from nonflowering plants for retail sale, the  
3        fee shall be Two Thousand Five Hundred Dollars  
4        (\$2,500.00).

5        3. As used in this subsection:

6        a. "canopy" means the total surface area within a  
7        cultivation area that is dedicated to the cultivation  
8        of flowering marijuana plants. The surface area of  
9        the plant canopy must be calculated in square feet and  
10       measured and must include all of the area within the  
11       boundaries where the cultivation of the flowering  
12       marijuana plants occurs. If the surface of the plant  
13       canopy consists of noncontiguous areas, each component  
14       area must be separated by identifiable boundaries. If  
15       a tiered or shelving system is used in the cultivation  
16       area, the surface area of each tier or shelf must be  
17       included in calculating the area of the plant canopy.  
18       Calculation of the area of the plant canopy may not  
19       include the areas within the cultivation area that are  
20       used to cultivate immature marijuana plants and  
21       seedlings, prior to flowering, and that are not used  
22       at any time to cultivate mature marijuana plants. If  
23       the flowering plants are vertically grown in  
24       cylinders, the square footage of the canopy shall be

1                   measured by the circumference of the cylinder  
2                   multiplied by the total length of the cylinder,

3           b. "greenhouse" means a structure located outdoors that  
4           is completely covered by a material that allows a  
5           controlled level of light transmission, and

6           c. "light deprivation" means a structure that has  
7           concrete floors and the ability to manipulate natural  
8           light.

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

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

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

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

21           4. All applications shall be complete and accurate in every  
22          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 shall be accompanied by a full remittance  
5 for the whole amount of the application fees. Application fees are  
6 nonrefundable;

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

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

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

13          c. if applying as an entity, proof that seventy-five  
14 percent (75%) of all members, managers, executive  
15 officers, partners, board members or any other form of  
16 business ownership are Oklahoma residents pursuant to  
17 paragraph 11 of this subsection,

18          d. if applying as an individual or entity, proof that the  
19 individual or entity is registered to conduct business  
20 in the State of Oklahoma,

21          e. disclosure of all ownership interests pursuant to the  
22 Oklahoma Medical Marijuana and Patient Protection Act,  
23 and  
24

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

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

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

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

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

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

- 17 a. an unexpired Oklahoma-issued driver license,
- 18 b. an Oklahoma identification card,
- 19 c. a utility bill preceding the date of application,
- 20 excluding cellular telephone and Internet bills,
- 21 d. a residential property deed to property in the State
- 22 of Oklahoma, and

1 e. a rental agreement preceding the date of application  
2 for residential property located in the State of  
3 Oklahoma.

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

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

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

- 14 a. front of an Oklahoma driver license,
- 15 b. front of an Oklahoma identification card,
- 16 c. a United States passport or other photo identification  
17 issued by the United States government, or
- 18 d. a tribal identification card approved for  
19 identification purposes by the Oklahoma Department of  
20 Public Safety; and

21 14. All applicants shall submit an applicant photograph.

22 F. The Authority shall review the medical marijuana business  
23 application; approve, reject or deny the application; and mail the  
24



1 approval, rejection, denial or status-update letter to the applicant  
2 within ninety (90) business days of receipt of the application.

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

6 2. Approved applicants shall be issued a medical marijuana  
7 business license for the specific category applied under, which  
8 shall act as proof of their approved status. Rejection and denial  
9 letters shall provide a reason for the rejection or denial.  
10 Applications may only be rejected or denied based on the applicant  
11 not meeting the standards set forth in the provisions of the  
12 Oklahoma Medical Marijuana and Patient Protection Act and Sections  
13 420 through 426.1 of this title, improper completion of the  
14 application, or for a reason provided for in the Oklahoma Medical  
15 Marijuana and Patient Protection Act and Sections 420 through 426.1  
16 of this title. If an application is rejected for failure to provide  
17 required information, the applicant shall have thirty (30) days to  
18 submit the required information for reconsideration. No additional  
19 application fee shall be charged for such reconsideration. Unless  
20 the ~~Department~~ Authority determines otherwise, an application that  
21 has been resubmitted but is still incomplete or contains errors that  
22 are not clerical or typographical in nature shall be denied.

23 3. Status-update letters shall provide a reason for delay in  
24 either approval, rejection or denial should a situation arise in

1 which an application was submitted properly but a delay in  
2 processing the application occurred.

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

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

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

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

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

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

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

23 a. file taxes, interest or penalties due related to a  
24 medical marijuana business, or

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

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

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

8           8.    A person who was involved in the management or operations of  
9 any medical marijuana business, medical marijuana research facility,  
10 medical marijuana education facility or medical marijuana waste  
11 disposal facility that, after the initiation of a disciplinary  
12 action, has had a medical marijuana license revoked, not renewed, or  
13 surrendered during the five (5) years preceding submission of the  
14 application and for the following violations:

15           a.    unlawful sales or purchases,

16           b.    any fraudulent acts, falsification of records or  
17                    misrepresentation to the Authority, medical marijuana  
18                    patient licensees, caregiver licensees or medical  
19                    marijuana business licensees,

20           c.    any grossly inaccurate or fraudulent reporting,

21           d.    threatening or harming any medical marijuana patient,  
22                    caregiver, medical practitioner or employee of the  
23                    ~~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

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

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

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

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

21 O. No medical marijuana business, medical marijuana research  
22 facility, medical marijuana education facility or medical marijuana  
23 waste disposal facility shall possess, sell or transfer medical  
24

