

1 ENGROSSED SENATE  
2 BILL NO. 532

By: Brooks and McCortney of the  
Senate

3 and

4 Fetgatter of the House

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6  
7 An Act relating to foreclosure of medical marijuana  
8 businesses; establishing procedures for continuation  
9 of operations of certain foreclosed businesses;  
10 requiring submission of certain proof to State  
11 Department of Health; prohibiting certain additional  
12 fees; requiring promulgation of certain rules;  
13 providing for codification; and providing an  
14 effective date.

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

16 SECTION 1. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 1560 of Title 12, unless there  
18 is created a duplication in numbering, reads as follows:

19 A. In the event that a licensed medical marijuana dispensary,  
20 commercial grower or processor is foreclosed, is the subject of an  
21 order appointing a receiver, becomes insolvent, bankrupt or  
22 otherwise ceases operations, a secured party or receiver may  
23 continue operations at the dispensary, grower or processor upon  
24 submitting to the Oklahoma Medical Marijuana Authority, State  
Department of Health, proof that the secured party or receiver, or  
if the secured party or receiver is a business entity, any

1 individual who has a financial interest in the secured party or  
2 receiver, meets the requirements and restrictions set forth in:

3 1. For licensed medical marijuana dispensaries, Section 421 of  
4 Title 63 of the Oklahoma Statutes;

5 2. For licensed commercial medical marijuana growers, Section  
6 422 of Title 63 of the Oklahoma Statutes; or

7 3. For licensed medical marijuana processors, Section 423 of  
8 Title 63 of the Oklahoma Statutes.

9 The Authority may prescribe the form and manner of submitting  
10 proof under this subsection. Neither the state nor agency of this  
11 state shall require an additional fee from the secured party or  
12 receiver, other than payment of annual fees which may become due  
13 during the operation by the secured party or receiver.

14 B. Subject to the requirements of subsection A of this section,  
15 the Oklahoma Medical Marijuana Authority, State Department of  
16 Health, shall promulgate rules for the manner and conditions under  
17 which:

18 1. Marijuana items left by a deceased, insolvent or bankrupt  
19 person or licensee, or subject to a security interest or a court  
20 order appointing a receiver, may be foreclosed, sold under execution  
21 or otherwise disposed whether by foreclosure or by sale as a going  
22 concern;

23 2. The business of a licensee who is deceased, insolvent,  
24 bankrupt, or the subject of an order appointing receiver or a

1 foreclosure by a secured party, may be operated for a reasonable  
2 period following the death, insolvency, appointment of a receiver or  
3 bankruptcy; and

4 3. A secured party or court-appointed receiver may continue to  
5 operate a business for which a license has been issued under Section  
6 421, 422 or 423 of Title 63 of the Oklahoma Statutes for a  
7 reasonable period after default on the indebtedness by the debtor or  
8 after the appointment of the receiver.

9 SECTION 2. This act shall become effective November 1, 2019.

10 Passed the Senate the 5th day of March, 2019.

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Presiding Officer of the Senate

Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,

2019.

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Presiding Officer of the House  
of Representatives