

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 SENATE BILL 643

By: Paxton

4
5
6 AS INTRODUCED

7 An Act relating to medical marijuana; amending 63
8 O.S. 2021, Sections 421, as last amended by Section
9 4, Chapter 182, O.S.L. 2024, 422, as last amended by
10 Section 1, Chapter 447, O.S.L. 2024, and 423, as last
11 amended by Section 8, Chapter 182, O.S.L. 2024 (63
12 O.S. Supp. 2024, Sections 421, 422, and 423), which
13 relate to licenses; modifying certain ownership
14 residency requirements; imposing residency and
15 citizenship requirements on employees and owners of
16 certain facilities; updating statutory language;
17 authorizing certain application requirement; defining
18 terms; providing for codification; and providing an
19 effective date.

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

21 SECTION 1. AMENDATORY 63 O.S. 2021, Section 421, as last
22 amended by Section 4, Chapter 182, O.S.L. 2024 (63 O.S. Supp. 2024,
23 Section 421), is amended to read as follows:

24 Section 421. A. The Oklahoma Medical Marijuana Authority shall
25 make available on its website in an easy-to-find location an
26 application for a medical marijuana dispensary license. The
27 application fee to be paid by the applicant shall be in the amounts
28 provided for in Section 427.14 of this title. A method of payment
29 for the application fee shall be provided on the website of the

1 Authority. Dispensary applicants must all be residents of Oklahoma.
2 Any entity applying for a dispensary license must be owned by a
3 resident of this state and must be registered to do business in this
4 state. The Authority shall have ninety (90) business days to review
5 the application; approve, reject, or deny the application; and send
6 the approval, rejection, or denial letter stating reasons for the
7 rejection or denial to the applicant in the same method the
8 application was submitted to the Authority.

9 B. The Authority shall approve all applications which meet the
10 following criteria:

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

13 2. The applicant, if applying as an individual, must show
14 residency in this state;

15 3. All applying entities must show that all members, managers,
16 and board members are residents of this state;

17 4. An applying entity ~~may show ownership of nonstate residents,~~
18 ~~but that percentage ownership may not exceed twenty-five percent~~
19 ~~(25%)~~ shall not have ownership by nonresidents of this state;

20 5. All applying individuals or entities must be registered to
21 conduct business in this state; and

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

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

6 C. Licensed medical marijuana dispensaries shall be required to
7 complete a monthly sales report to the Authority. This report shall
8 be due on the fifteenth of each month and provide reporting on the
9 previous month. This report shall detail the weight of marijuana
10 purchased at wholesale and the weight of marijuana sold to licensed
11 medical marijuana patients and licensed caregivers and account for
12 any waste. The report shall show total sales in dollars, tax
13 collected in dollars, and tax due in dollars. The Authority shall
14 have oversight and auditing responsibilities to ensure that all
15 marijuana being grown is accounted for.

16 D. Only a licensed medical marijuana dispensary may conduct
17 retail sales of marijuana or marijuana derivatives. Beginning on
18 November 1, 2021, licensed medical marijuana dispensaries shall be
19 authorized to package and sell pre-rolled marijuana to licensed
20 medical marijuana patients and licensed caregivers. The products
21 described in this subsection shall contain only the ground parts of
22 the marijuana plant and shall not include marijuana concentrates or
23 derivatives. The total net weight of each pre-roll packaged and
24 sold by a medical marijuana dispensary shall not exceed one (1)

1 gram. These products shall be tested, packaged and labeled in
2 accordance with state law and rules promulgated by the Executive
3 Director of the Oklahoma Medical Marijuana Authority.

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

20 SECTION 2. AMENDATORY 63 O.S. 2021, Section 422, as last
21 amended by Section 1, Chapter 447, O.S.L. 2024 (63 O.S. Supp. 2024,
22 Section 422), is amended to read as follows:

23 Section 422. A. The Oklahoma Medical Marijuana Authority shall
24 make available on its website in an easy-to-find location an

1 application for a medical marijuana commercial grower license. The
2 application fee shall be paid by the applicant in the amounts
3 provided for in Section 427.14 of this title. A method of payment
4 for the application fee shall be provided on the website of the
5 Authority. The Authority shall have ninety (90) business days to
6 review the application; approve, reject, or deny the application;
7 and send the approval, rejection, or denial letter stating the
8 reasons for the rejection or denial to the applicant in the same
9 method the application was submitted to the Authority.

10 B. The Authority shall approve all applications which meet the
11 following criteria:

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

14 2. The applicant, if applying as an individual, must show
15 residency in this state;

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

18 4. An applying entity ~~may show ownership of non-Oklahoma~~
19 ~~residents, but that percentage ownership may not exceed twenty five~~
20 ~~percent (25%)~~ shall not have ownership by nonresidents of this
21 state;

22 5. All applying individuals or entities must be registered to
23 conduct business in this state; and

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

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

8 C. A licensed medical marijuana commercial grower may sell
9 marijuana to a licensed medical marijuana dispensary or a licensed
10 medical marijuana processor. Further, sales by a licensed medical
11 marijuana commercial grower shall be considered wholesale sales and
12 shall not be subject to taxation. Under no circumstances may a
13 licensed medical marijuana commercial grower sell marijuana directly
14 to a licensed medical marijuana patient or licensed medical
15 marijuana caregiver. A licensed medical marijuana commercial grower
16 may only sell at the wholesale level to a licensed medical marijuana
17 dispensary, a licensed medical marijuana commercial grower or a
18 licensed medical marijuana processor. If the federal government
19 lifts restrictions on buying and selling marijuana between states,
20 then a licensed medical marijuana commercial grower would be allowed
21 to sell and buy marijuana wholesale from, or to, an out-of-state
22 wholesale provider. A licensed medical marijuana commercial grower
23 shall be required to complete a monthly yield and sales report to
24 the Authority. This report shall be due on the fifteenth of each

1 month and provide reporting on the previous month. This report
2 shall detail the amount of marijuana harvested in pounds, the amount
3 of drying or dried marijuana on hand, the amount of marijuana sold
4 to licensed processors in pounds, the amount of waste in pounds, and
5 the amount of marijuana sold to licensed medical marijuana
6 dispensaries in pounds. Additionally, this report shall show total
7 wholesale sales in dollars. The Authority shall have oversight and
8 auditing responsibilities to ensure that all marijuana being grown
9 by licensed medical marijuana commercial growers is accounted for.

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

12 E. Beginning on November 1, 2021, licensed medical marijuana
13 commercial growers shall be authorized to package and sell pre-
14 rolled marijuana to licensed medical marijuana dispensaries. The
15 products described in this subsection shall contain only the ground
16 parts of the marijuana plant and shall not include marijuana
17 concentrates or derivatives. The total net weight of each pre-roll
18 packaged and sold by licensed medical marijuana commercial growers
19 shall not exceed one (1) gram. These final products must be tested,
20 packaged and labeled in accordance with Oklahoma law and rules
21 promulgated by the Authority.

22 F. Beginning November 1, 2022, all medical marijuana commercial
23 grower licensees who operate an outdoor medical marijuana production
24 facility shall be required to register with the Oklahoma Department
25

1 of Agriculture, Food, and Forestry as an environmentally sensitive
2 crop owner. Registration shall provide notice to commercial and
3 private pesticide applicators of the locations of medical marijuana
4 crops and help minimize the potential for damaging pesticide drift.
5 Medical marijuana commercial grower licensees shall provide their
6 business name, address, Global Positioning System (GPS) coordinates
7 for all outdoor medical marijuana production facilities, and any
8 other information required by the Department when registering with
9 the Environmentally Sensitive Area Registry.

10 SECTION 3. AMENDATORY 63 O.S. 2021, Section 423, as last
11 amended by Section 8, Chapter 182, O.S.L. 2024 (63 O.S. Supp. 2024,
12 Section 423), is amended to read as follows:

13 Section 423. A. The Oklahoma Medical Marijuana Authority shall
14 make available on its website in an easy-to-find location an
15 application for a medical marijuana processing license. The
16 Authority shall be authorized to issue two types of medical
17 marijuana processor licenses based on the level of risk posed by the
18 type of processing conducted:

- 19 1. Nonhazardous medical marijuana processor license; and
- 20 2. Hazardous medical marijuana processor license.

21 The application fee for a nonhazardous or hazardous medical
22 marijuana processor license shall be paid by the applicant in the
23 amounts provided for in Section 427.14 of this title. A method of
24 payment shall be provided on the website of the Authority. The

1 Authority shall have ninety (90) business days to review the
2 application; approve, reject, or deny the application; and send the
3 approval, rejection, or denial letter stating the reasons for the
4 rejection or denial to the applicant in the same method the
5 application was submitted to the Authority.

6 B. The Authority shall approve all applications which meet the
7 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 this state;

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

14 4. An applying entity ~~may show ownership of nonstate residents,~~
15 ~~but that percentage ownership may not exceed twenty five percent~~
16 ~~(25%)~~ shall not have ownership by nonresidents of this state;

17 5. All applying individuals or entities must be registered to
18 conduct business in this state; and

19 6. All applicants must disclose all ownership interests in the
20 processing 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 medical
2 marijuana processing license.

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

6 2. The Executive Director of the Authority shall make available
7 a set of standards which shall be used by licensed processors in the
8 preparation of edible marijuana products. The standards should be
9 in line with current food preparation guidelines. No excessive or
10 punitive rules may be established by the Executive Director.

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

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

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

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

13 D. The Authority shall oversee the inspection and compliance of
14 licensed processors producing products with marijuana as an
15 additive. If it becomes permissible under federal law, marijuana
16 may be moved across state lines.

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

22 SECTION 4. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 427.30 of Title 63, unless there
24 is created a duplication in numbering, reads as follows:

1 A. The Oklahoma Medical Marijuana Authority shall require all
2 employees and owners of medical marijuana facilities to be citizens,
3 lawful permanent residents, or temporary residents of the United
4 States. The Authority may require that such residency be made as
5 part of an individual's application for a license, permit,
6 identification card, or credential authorizing the individual to be
7 an employee of a medical marijuana facility.

8 B. As used in this section:

9 1. "Employee" means any natural person who:

- 10 a. grows, harvests, dries, cures, purchases, sells,
11 transfers, transports, processes, produces,
12 manufactures, creates, or packages medical marijuana,
13 medical marijuana products, or medical marijuana waste
14 on behalf of or for a licensed medical marijuana
15 commercial grower, processor, or dispensary,
16 b. samples, trains, or educates on behalf of or for a
17 licensed medical marijuana education or research
18 facility,
19 c. disposes of or transports medical marijuana, medical
20 marijuana products, and medical marijuana waste on
21 behalf of or for a licensed medical marijuana waste
22 disposal facility,

- 1 d. tests and conducts research on medical marijuana and
2 medical marijuana products on behalf of or for a
3 medical marijuana licensed testing laboratory,
4 e. transports, stores, and distributes, but does not take
5 ownership of, medical marijuana and medical marijuana
6 products on behalf of or for a licensed medical
7 marijuana commercial transporter,
8 f. tracks, traces, reports, and inputs any information
9 into the state inventory tracking system on behalf of
10 or for a licensed medical marijuana commercial license
11 holder, or
12 g. conducts any other additional business for the benefit
13 of a medical marijuana commercial license holder as
14 authorized by rules promulgated by the Executive
15 Director of the Authority, with the exception of
16 professional services not involved in the handling of
17 medical marijuana, medical marijuana products, or
18 medical marijuana concentrates;

19 2. "Medical marijuana facility" means an entity licensed or
20 certified by the Authority to acquire, cultivate, process,
21 manufacture, test, store, sell, transport, or deliver medical
22 marijuana; and

23 3. "Owner" means a direct beneficial owner including, but not
24 limited to, all persons or entities as follows:
25

- a. all shareholders owning an interest of a corporate entity and all officers of a corporate entity,
- b. all partners of a general partnership,
- c. all general partners and all limited partners that own an interest in a limited partnership,
- d. all members that own an interest in a limited liability company,
- e. all beneficiaries that hold a beneficial interest in a trust and all trustees of a trust,
- f. all persons or entities that own interest in a joint venture,
- g. all persons or entities that own an interest in an association,
- h. the owners of any other type of legal entity, and
- i. any other person holding an interest or convertible note in any entity which owns, operates, or manages a licensed medical marijuana facility.

SECTION 5. This act shall become effective November 1, 2025.

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