

SENATE CHAMBER

STATE OF OKLAHOMA

DISPOSITION

☒ FLOOR AMENDMENT

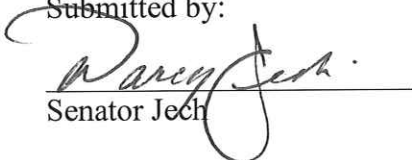
No. 1

☐ COMMITTEE AMENDMENT

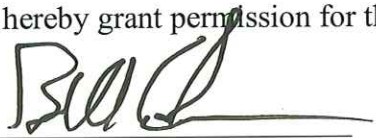
(Date)

I move to amend Senate Bill No. 913, by substituting the attached floor substitute (Request # 1916) for the title, enacting clause and entire body of the measure.

Submitted by:


Senator Jech

I hereby grant permission for the floor substitute to be adopted.


Senator Coleman, Chair (required)


Senator Thompson (Kristen)


Senator Brooks


Senator Burns


Senator Haste

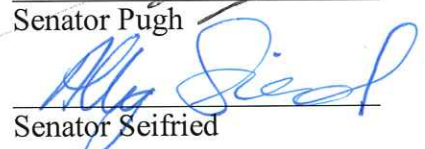

Senator Jett


Senator Treat, President Pro Tempore

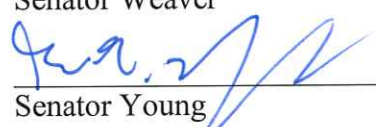

Senator Newhouse



Senator Prieto


Senator Pugh


Senator Seifried


Senator Weaver


Senator Young


Senator McCortney, Majority Floor Leader


Note: Business and Commerce committee majority requires seven (7) members' signatures.

Jech-MR-FS-SB913
2/27/2023 3:58 PM

1

(Floor Amendments Only)

Date and Time Filed: 3-2-23

10:30 am 

☐ Untimely

☐ Amendment Cycle Extended

☐ Secondary Amendment

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

FLOOR SUBSTITUTE

FOR

SENATE BILL NO. 913

By: Jech of the Senate

and

Moore of the House

FLOOR SUBSTITUTE

An Act relating to medical marijuana growing operations; amending 63 O.S. 2021, Section 427.14, as last amended by Section 4, Chapter 332, O.S.L. 2022 (63 O.S. Supp. 2022, Section 427.14), which relates to the medical marijuana business license; requiring bond to be submitted during application process if participating in growing operations; requiring bond to be filed with the Oklahoma Medical Marijuana Authority for designated area of commercial growing operations; providing minimum amount; allowing Authority to require additional coverage; requiring amount should be sufficient in event of loss of license; allowing additional agencies to recall the bond under certain circumstances; providing an exception; providing for codification; and declaring an emergency.

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

SECTION 1. AMENDATORY 63 O.S. 2021, Section 427.14, as last amended by Section 4, Chapter 332, O.S.L. 2022 (63 O.S. Supp. 2022, 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 fee for a medical marijuana commercial grower
19 license shall be calculated based upon the total amount of square
20 feet of canopy or acres the grower estimates will be harvested for
21 the year. The annual, nonrefundable license fee shall be based upon
22 the total amount of square feet of canopy harvested by the grower
23 during the previous twelve (12) months. The amount of the fees
24 shall be determined as follows:

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

3 (1) Tier 1: Up to ten thousand (10,000) square feet
4 of canopy, the fee shall be Two Thousand Five
5 Hundred Dollars (\$2,500.00),

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

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

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

18 (5) Tier 5: Sixty thousand one (60,001) square feet
19 of canopy to eighty thousand (80,000) square feet
20 of canopy, the fee shall be Thirty Thousand
21 Dollars (\$30,000.00),

22 (6) Tier 6: Eighty thousand one (80,001) square feet
23 of canopy to ninety-nine thousand nine hundred
24 ninety-nine (99,999) square feet of canopy, the

1 fee shall be Forty Thousand Dollars (\$40,000.00),
2 and

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

9 b. For an outdoor medical marijuana grow facility:

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

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

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

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

21 (5) Tier 5: Twenty (20) acres up to thirty (30)
22 acres, the fee shall be Thirty Thousand Dollars
23 (\$30,000.00),
24

- 1 (6) Tier 6: Thirty (30) acres up to forty (40)
2 acres, the fee shall be Forty Thousand Dollars
3 (\$40,000.00),
4 (7) Tier 7: Forty (40) acres up to fifty (50) acres,
5 the fee shall be Fifty Thousand Dollars
6 (\$50,000.00), and
7 (8) Tier 8: If the amount of acreage exceeds fifty
8 (50) acres, the fee shall be Fifty Thousand
9 Dollars (\$50,000.00) plus an additional Two
10 Hundred Fifty Dollars (\$250.00) per acre.

11 c. For a medical marijuana commercial grower that has a
12 combination of both indoor and outdoor growing
13 facilities at one location, the medical marijuana
14 commercial grower shall be required to obtain a
15 separate license from the Authority for each type of
16 grow operation and shall be subject to the licensing
17 fees provided for in subparagraphs a and b of this
18 paragraph.

19 d. As used in this paragraph:

- 20 (1) "canopy" means the total surface area within a
21 cultivation area that is dedicated to the
22 cultivation of flowering marijuana plants. The
23 surface area of the plant canopy must be
24 calculated in square feet and measured and must

1 include all of the area within the boundaries
2 where the cultivation of the flowering marijuana
3 plants occurs. If the surface of the plant
4 canopy consists of noncontiguous areas, each
5 component area must be separated by identifiable
6 boundaries. If a tiered or shelving system is
7 used in the cultivation area, the surface area of
8 each tier or shelf must be included in
9 calculating the area of the plant canopy.
10 Calculation of the area of the plant canopy may
11 not include the areas within the cultivation area
12 that are used to cultivate immature marijuana
13 plants and seedlings, prior to flowering, and
14 that are not used at any time to cultivate mature
15 marijuana plants. If the flowering plants are
16 vertically grown in cylinders, the square footage
17 of the canopy shall be measured by the
18 circumference of the cylinder multiplied by the
19 total length of the cylinder,

- 20 (2) "greenhouse" means a structure located outdoors
21 that is completely covered by a material that
22 allows a controlled level of light transmission,
23 and
24

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

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

- 6 a. Tier 1: Zero (0) to ten thousand (10,000) pounds of
7 biomass or production or use of up to one hundred
8 (100) liters of cannabis concentrate, the annual fee
9 shall be Two Thousand Five Hundred Dollars
10 (\$2,500.00),
- 11 b. Tier 2: Ten thousand one (10,001) pounds to fifty
12 thousand (50,000) pounds of biomass or production or
13 use from one hundred one (101) to three hundred fifty
14 (350) liters of cannabis concentrate, the annual fee
15 shall be Five Thousand Dollars (\$5,000.00),
- 16 c. Tier 3: Fifty thousand one (50,001) pounds to one
17 hundred fifty thousand (150,000) pounds of biomass or
18 production or use from three hundred fifty-one (351)
19 to six hundred fifty (650) liters of cannabis
20 concentrate, the annual fee shall be Ten Thousand
21 Dollars (\$10,000.00),
- 22 d. Tier 4: One hundred fifty thousand one (150,001)
23 pounds to three hundred thousand (300,000) pounds of
24 biomass or production or use from six hundred fifty-

1 one (651) to one thousand (1,000) liters of cannabis
2 concentrate, the annual fee shall be Fifteen Thousand
3 Dollars (\$15,000.00), and

4 e. Tier 5: More than three hundred thousand one
5 (300,001) pounds of biomass or production or use in
6 excess of one thousand one (1,001) liters of cannabis
7 concentrate, the annual fee shall be Twenty Thousand
8 Dollars (\$20,000.00).

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

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

21 5. The annual, nonrefundable license fee for a medical
22 marijuana testing laboratory shall be Twenty Thousand Dollars
23 (\$20,000.00).
24

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

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

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

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

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

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

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

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

22 a. twenty-five (25) years of age or older,
23
24

- 1 b. if applying as an individual, proof that the applicant
2 is an Oklahoma resident pursuant to paragraph 11 of
3 this subsection,
- 4 c. if applying as an entity, proof that seventy-five
5 percent (75%) of all members, managers, executive
6 officers, partners, board members or any other form of
7 business ownership are Oklahoma residents pursuant to
8 paragraph 11 of this subsection,
- 9 d. if applying as an individual or entity, proof that the
10 individual or entity is registered to conduct business
11 in the State of Oklahoma,
- 12 e. disclosure of all ownership interests pursuant to the
13 Oklahoma Medical Marijuana and Patient Protection Act,
14 and
- 15 f. proof that the medical marijuana business, medical
16 marijuana research facility, medical marijuana
17 education facility and medical marijuana waste
18 disposal facility applicant or licensee has not been
19 convicted of a nonviolent felony in the last two (2)
20 years, or any other felony conviction within the last
21 five (5) years, is not a current inmate in the custody
22 of the Department of Corrections, or currently
23 incarcerated in a jail or corrections facility;
- 24

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 and application fee. A
5 commercial grower, processor and dispensary, or any combination
6 thereof, are authorized to share the same address or physical
7 location, subject to the restrictions set forth in the Oklahoma
8 Medical Marijuana and Patient Protection Act;

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

- 16 a. individual applicants applying on their own behalf,
- 17 b. individuals applying on behalf of an entity,
- 18 c. all principal officers of an entity, and
- 19 d. all owners of an entity as defined by the Oklahoma
20 Medical Marijuana and Patient Protection Act;

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

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

- 9 a. an unexpired Oklahoma-issued driver license,
- 10 b. an Oklahoma identification card,
- 11 c. a utility bill preceding the date of application,
12 excluding cellular telephone and Internet bills,
- 13 d. a residential property deed to property in the State
14 of Oklahoma, and
- 15 e. a rental agreement preceding the date of application
16 for residential property located in the State of
17 Oklahoma.

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

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

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

- 4 a. front of an Oklahoma driver license,
- 5 b. front of an Oklahoma identification card,
- 6 c. a United States passport or other photo identification
7 issued by the United States government, or
- 8 d. a tribal identification card approved for
9 identification purposes by the Oklahoma Department of
10 Public Safety; and

11 14. All applicants shall submit an applicant photograph; and

12 15. All applicants for a medical marijuana business license
13 seeking to operate a commercial grow shall file along with their
14 application a bond as prescribed in Section 2 of this act.

15 F. The Authority shall review the medical marijuana business
16 application; approve, reject or deny the application; and mail the
17 approval, rejection, denial or status-update letter to the applicant
18 within ninety (90) business days of receipt of the application.

19 G. 1. The Authority shall review the medical marijuana
20 business applications and conduct all investigations, inspections
21 and interviews before approving the application.

22 2. Approved applicants shall be issued a medical marijuana
23 business license for the specific category applied under, which
24 shall act as proof of their approved status. Rejection and denial

1 letters shall provide a reason for the rejection or denial.
2 Applications may only be rejected or denied based on the applicant
3 not meeting the standards set forth in the provisions of the
4 Oklahoma Medical Marijuana and Patient Protection Act and Sections
5 420 through 426.1 of this title, improper completion of the
6 application, or for a reason provided for in the Oklahoma Medical
7 Marijuana and Patient Protection Act and Sections 420 through 426.1
8 of this title. If an application is rejected for failure to provide
9 required information, the applicant shall have thirty (30) days to
10 submit the required information for reconsideration. No additional
11 application fee shall be charged for such reconsideration. Unless
12 the Authority determines otherwise, an application that has been
13 resubmitted but is still incomplete or contains errors that are not
14 clerical or typographical in nature shall be denied.

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

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

22 H. A license for a medical marijuana business, medical
23 marijuana research facility, medical marijuana education facility or
24

1 medical marijuana waste disposal facility shall not be issued to or
2 held by:

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

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

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

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

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

16 a. file taxes, interest or penalties due related to a
17 medical marijuana business, or

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

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

22 7. A person whose authority to be a caregiver, as defined in
23 Section 427.2 of this title, has been revoked by the Authority; or
24

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

- 8 a. unlawful sales or purchases,
- 9 b. any fraudulent acts, falsification of records or
10 misrepresentation to the Authority, medical marijuana
11 patient licensees, caregiver licensees or medical
12 marijuana business licensees,
- 13 c. any grossly inaccurate or fraudulent reporting,
- 14 d. threatening or harming any medical marijuana patient,
15 caregiver, medical practitioner or employee of the
16 Authority,
- 17 e. knowingly or intentionally refusing to permit the
18 Authority access to premises or records,
- 19 f. using a prohibited, hazardous substance for processing
20 in a residential area,
- 21 g. criminal acts relating to the operation of a medical
22 marijuana business, or
- 23 h. any violations that endanger public health and safety
24 or product safety.

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

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

8 K. All applicants and licensees shall submit information to the
9 Authority in a full, faithful, truthful and fair manner. The
10 Authority may recommend denial of an application where the applicant
11 or licensee made misstatements, omissions, misrepresentations or
12 untruths in the application or in connection with the background
13 investigation of the applicant. This type of conduct may be grounds
14 for administrative action against the applicant or licensee. Typos
15 and scrivener errors shall not be grounds for denial.

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

23 M. All medical marijuana business, medical marijuana research
24 facility, medical marijuana education facility and medical marijuana

1 waste disposal facility licensees shall pay the relevant licensure
2 fees prior to receiving licensure to operate.

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

10 O. No medical marijuana business, medical marijuana research
11 facility, medical marijuana education facility or medical marijuana
12 waste disposal facility shall possess, sell or transfer medical
13 marijuana or medical marijuana products without a valid, unexpired
14 license issued by the Authority.

15 SECTION 2. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 427.26 of Title 63, unless there
17 is created a duplication in numbering, reads as follows:

18 A. It shall be unlawful for any holder of a medical marijuana
19 business license pursuant to Section 427.14 of Title 63 of the
20 Oklahoma Statutes to engage in any commercial growing operations in
21 this state without acquiring a bond. The bond shall cover that area
22 of land within the permit area upon which the business licensee will
23 initiate and conduct commercial growing operations.

1 B. Every applicant for a commercial grower license or
2 commercial grower licensee shall file with the Oklahoma Medical
3 Marijuana Authority a bond satisfactory to the Authority and in the
4 amount no less than Fifty Thousand Dollars (\$50,000.00) for each
5 license sought or held, with a surety company qualified to do
6 business in this state as a surety. The bond shall be furnished to
7 the state for the use of the state pursuant to the provisions of
8 this act. The bond shall be conditional that the obligor will
9 comply with the provisions of this act including, but not limited
10 to, building codes, administrative rules, and other relevant laws,
11 and all rules and regulations made pursuant to this act and will pay
12 all amounts of money that may be due to the state during the time
13 such bond is in effect.

14 C. The Authority or the Department of Environmental Quality may
15 require a higher amount depending upon the reclamation requirements
16 of the approved application. The amount shall reflect the probable
17 difficulty of reclamation with consideration for such factors
18 including, but not limited to, topography, hydrology, and
19 revegetation potential. The amount of the bond for a commercial
20 growing operation shall be sufficient to assure the completion of
21 the reclamation plan if the work has to be performed by the
22 Authority or the Department of Environmental Quality in the event of
23 revocation of license.
24

1 D. An appropriate agency may recall the bond if the property
2 has been abandoned, the Authority revokes the commercial growing
3 operation's license, or in response to receiving notice of a
4 violation of any law, regulation, policy, or ordinance necessitating
5 remedial action. The bond shall be used to defray the cost of
6 restoration of the property including, but not limited to, removing
7 equipment, destruction of waste, remediation of environmental
8 hazards, prohibiting public access, addressing improperly coded
9 buildings, or determination of the final disposition of any seized
10 property.

11 E. A holder of a medical marijuana business license pursuant to
12 Section 427.14 of Title 63 of the Oklahoma Statutes engaging in a
13 commercial growing operation may operate without obtaining a bond
14 upon verification by the Authority that the permitted land on which
15 the licensee operates the commercial growing operation has been
16 owned by the licensee for at least a five-year period prior to
17 submission of application.

18 SECTION 3. It being immediately necessary for the preservation
19 of the public peace, health or safety, an emergency is hereby
20 declared to exist, by reason whereof this act shall take effect and
21 be in full force from and after its passage and approval.

22
23 59-1-1916

MR

3/2/2023 11:27:42 AM