

An Act

ENROLLED SENATE
BILL NO. 532

By: Brooks and McCortney of the
Senate

and

Fetgatter of the House

An Act relating to foreclosure of medical marijuana businesses; establishing procedures for continuation of operations of certain foreclosed businesses; requiring submission of certain proof to State Department of Health; prohibiting certain additional fees; requiring promulgation of certain rules; providing for codification; and providing an effective date.

SUBJECT: Foreclosure of medical marijuana businesses

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

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

A. In the event that a licensed medical marijuana dispensary, commercial grower or processor is foreclosed, is the subject of an order appointing a receiver, becomes insolvent, bankrupt or otherwise ceases operations, a secured party or receiver may continue operations at the dispensary, grower or processor upon 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 individual who has a financial interest in the secured party or receiver, meets the requirements and restrictions set forth in:

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

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

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

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

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

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

2. The business of a licensee who is deceased, insolvent, bankrupt, or the subject of an order appointing receiver or a foreclosure by a secured party, may be operated for a reasonable period following the death, insolvency, appointment of a receiver or bankruptcy; and

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

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

Passed the Senate the 17th day of May, 2019.

Presiding Officer of the Senate

Passed the House of Representatives the 20th day of May, 2019.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____