New OMMA Transfer License Process - (Rules Eff. October 29, 2024)

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Significant changes have been made to the application process when changing name, location and/or ownership.

Relevant New Definitions:

"*Change of ownership request*" means any request submitted to the Authority that would change, amend, or in any way alter the ownership of a medical marijuana commercial license, including, but not limited to:

1. Any shareholders owning an interest of a corporate entity and all officers of a corporate entity;
2. Any partners of a general partnership;
3. Any general partners and all limited partners that own an interest in a limited partnership;
4. Any members that own an interest in a limited liability company;
5. Any beneficiaries that hold a beneficial interest in a trust and all trustees of a trust;
6. Any persons or entities that own interest in a joint venture;
7. Any persons or entities that own an interest in an association;
8. Any owners of any other type of legal entity; and
9. Any other person holding an interest or convertible note in any entity which owns, operates, or manages a licensed medical marijuana facility.

"*License transfer application*" means any request submitted to the Authority in the form or manner prescribed by the Authority that would do one of the following:

(A) Transfer a medical marijuana commercial license from a prior owner to a new owner;

(B) Change, amend, or in any way alter the location of the licensed premises due to a change in ownership;

(C) Change, amend, or alter in any way the business name or individual or entity holding the license;

"*Location change request*" means any request submitted to the Authority that would change, amend, or alter in any way the location of the licensed premises.

"*Name change request*" means any request submitted to the Authority that would change, amend, or alter in any way the business name or individual or entity holding the license. Name change requests must be submitted in a license transfer application.

All Change Requests

Licensees must obtain Authority approval for any material changes that affect the licensee's qualifications for licensure.

No licensee shall operate under the conditions of a material change unless and until the Authority has approved in writing the material change without written approval of an application by the Authority.

Applications for written approval of material changes that affect the licensee's qualifications for licensure **shall not** occur during the renewal application and must be submitted in a separate material change request to the Authority.

When submitting a material change request, the licensee will be required to pay a $500 nonrefundable fee.

Except as is otherwise authorized by the Authority, licensees are limited to **one location change request, one name change request, and one ownership change request per year of licensure.** Note, an applicant can no longer seek to change ownership via a renewal application.

Transfer of license.

Beginning on November 1, 2024, licensees wishing to transfer a license must submit a formal license transfer application.

- This transfer application must be initiated by the seller by generating a transfer code within the business portal. The buyer must then begin the transfer application.
- The application fee for license transfer applications submitted any time following November 1, 2024 will be equivalent to the annual license or application fee required for the commercial license.
- License transfer applications shall be subject to all requirements under OAC 442:10-5-3.
- Upon approval of a license transfer application, the applicant must register with the Oklahoma State Bureau of Narcotics and Dangerous Drugs Control before the transfer of the license is finalized.
- Upon issuance of the registration by OBNDD, the prior owner and the new owner will have fifteen (15) business days from the issuance of an OBNDD registration to transfer all inventory of medical marijuana, medical marijuana concentrate, and medical marijuana products, if any. Fifteen (15) business days after issuance of an OBNDD registration, the prior owner will no longer be a licensee.

Note, prior to finalization of the license transfer, **the prior owner will remain responsible** for maintaining the license, including submission of license renewal applications.

The new owner is not authorized to take possession of medical marijuana, medical marijuana concentrate, or medical marijuana products, exercise control over any activities involving the medical marijuana

business, or hold themselves out as having control over any activities involving the medical marijuana business **unless and until the application has been approved by the Authority and the new owner is registered with OBNDD.**

Any attempt to transfer a medical marijuana business, medical marijuana, medical marijuana concentrate, or medical marijuana products of a medical marijuana business without approval from the Authority shall be grounds for revocation or nonrenewal of the license and denial, revocation, or nonrenewal of current or future licenses or license applications with ownership held by any such person involved in the unlawful transfer.

Location Change Request

If a location change request is being submitted *due to a change of ownership, name, or the transfer of a license to a new licensee*, the location change request must be included in a license transfer application.

If the location change request is being submitted for purpose of solely moving the company to a new location, the Applicant must submit a Change in Location request.

Ownership Change Request

Medical marijuana business licensees submitting an ownership change request (a/k/a Transfer Application) must provide the nonrefundable application fee listed below:

- Applications submitted *prior* to November 1, 2024 shall provide a nonrefundable application fee of $500.
- Applications submitted on or *after* November 1, 2024, shall provide a nonrefundable application fee that is the annual license or application fee per the Tier chart.

IMPORTANT: If as of November 1, 2024, you have a stand-alone ownership change application, you must file a Transfer Application. This includes licensees who intend to transfer or sell any percentage of the business. You have a 30-day window (or until December 1, 2024) to submit the Transfer Application. Failure to comply with this new rule could jeopardize your business license.

Name Change Request

A medical marijuana business licensee submitting a name change request must provide a $500 nonrefundable application fee.

Requests to change the name of a business or individual holding the license is considered a transfer of license from one licensee to another. Licensees submitting a name change request must do so by submitting a Transfer Application.

Transfer Code

In each business portal there is a button for **Transfer Code.** If selected, the system will generate a Transfer Code that will allow a buyer to submit an application to purchase your license. You will have the opportunity to review the purchase before the transfer is complete.

If you have any questions or concerns, please feel free to contact a member of our team.

Attorneys

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Practices

- Cannabis Law