

# Moratorium Leaves Hundreds of Medical Cannabis Licenses in Limbo

## Oklahoma's Medical Cannabis Industry Faces Delays Amid Licensing Backlog

Kyle King, an aspiring cannabis entrepreneur, has invested \$100,000 into Oklahoma's medical marijuana industry with hopes of becoming a licensed grower. However, after more than a year of waiting for the Oklahoma Medical Marijuana Authority (OMMA) to approve his ownership transfer, King is now contemplating moving his business to another state. The delay has left him unable to generate any income from the growing business, GreenSight 2020, in which he invested in May 2023.

The state's moratorium on new licenses has forced King to purchase an existing license from another business owner. Despite his investment, the transfer of ownership remains pending with the OMMA, leaving King in financial limbo. "I'm tired of waiting for Oklahoma," King said, expressing frustration over the state's stringent residency restrictions and slow regulatory processes. He noted that other states offer looser regulations and greater support for cannabis entrepreneurs.

### Statewide Licensing Backlog: A Growing Concern

The backlog in license renewals at the OMMA has become a significant issue for many in the industry. While state law mandates that renewals be processed within 90 business days, industry advocates claim that hundreds of licenses are currently stuck in limbo. This situation not only harms business owners but also raises concerns about the safety of unlicensed operations continuing while under review.

Jed Green, director of Oklahomans for Responsible Cannabis Action, highlighted the severe impact on growers, who have faced the most delays as the state attempts to reduce the number of marijuana cultivation operations. Green criticized the OMMA for relying on a loophole that allows businesses to continue operating without up-to-date licenses, calling it a "crutch" for the agency. He warned that if the OMMA cannot manage licensing effectively, it will struggle to fulfill its other regulatory responsibilities.

### OMMA's Response and Efforts to Improve

In response to the criticism, OMMA spokesperson Porsha Riley stated that the agency has successfully processed 90% of commercial licenses within the required timeframe. She explained that the agency is allowed additional time for further review if necessary and mentioned that OMMA is implementing new technology, including "robotic assistance," to improve efficiency in processing applications. Riley also pointed out that legislative changes and errors in applications have contributed to delays.

However, when asked to provide specific data on the number of licenses pending renewal and their submission dates, the OMMA was unable to do so, citing that it does not maintain such records and is not required to create them for public information requests.

## **The Broader Impact on the Industry**

The delays in license renewals are having a chilling effect on Oklahoma's medical marijuana industry, according to Mike Ervin, who helped run the campaign to legalize medical marijuana in the state. He noted that the extended approval period has created uncertainty, discouraging investment and growth. "If I have to wait a year, I'm going to invest this money, I'm going to have to pay a year of lease payments, a year of electric and water. At some point, it's 'why would I do that?'" Ervin said.

Felina Rivera, a cannabis industry legal expert based in Oklahoma City, echoed these concerns, stating that only about 30% to 40% of her clients have had their license renewals approved within the mandated period. She criticized the lack of consistency in the OMMA's responses and the agency's tendency to flag minor errors at the last minute, which resets the review clock and prolongs the process.

## **Consumer Safety Concerns Amid Regulatory Delays**

The licensing delays not only impact business owners but also pose potential risks to consumer safety. Vanderbilt University law professor Robert Mikos emphasized that licensing is the foundation of state regulation for the cannabis industry. If businesses continue operating without up-to-date licenses, it could undermine enforcement and lead to public safety concerns.

Amie Goodin, an assistant professor at the University of Florida, warned that the delays could affect the ongoing safety and health inspections required for medical marijuana businesses. Without timely renewals, there is uncertainty about whether these inspections are being conducted as they should be.

## **Legislative Efforts and Industry Frustrations**

State Representative Scott Fetgatter, who has been involved in crafting legislation related to the medical marijuana industry, acknowledged the challenges the OMMA faces but also expressed hope that the agency will resolve the backlog issues. He mentioned the creation of an advisory council, which includes industry representatives, to help the OMMA address these challenges.

Fetgatter noted the frustration among industry members due to the delays, which he said are causing confusion and uncertainty. "People need continuity. They need stability," he said, emphasizing the importance of reliable regulatory processes for the success of the industry.

## **The Road Ahead for Oklahoma's Cannabis Industry**

As Oklahoma's medical marijuana industry grapples with licensing delays, the future remains uncertain for entrepreneurs like Kyle King. The ongoing backlog not only hampers business operations but also raises broader concerns about the state's ability to effectively regulate the industry. With the OMMA under pressure to improve its processes, the coming months will be crucial for the agency to restore confidence and ensure the industry's stability. For now, business owners and consumers alike are left waiting, hoping for a resolution that will allow the industry to thrive in the long term.

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