

1 STATE OF OKLAHOMA

2 1st Session of the 59th Legislature (2023)

3 HOUSE BILL 1711

By: Marti

4
5
6 AS INTRODUCED

7 An Act relating to medical marijuana; requiring
8 licensed medical marijuana commercial growers to
9 inform retail suppliers or electric cooperatives as
10 to their license status; requiring transmission of
11 monthly usage reports in certain format to the
12 Oklahoma Medical Marijuana Authority; amending 63
13 O.S. 2021, Section 427.3, as amended by Section 8,
14 Chapter 251, O.S.L. 2022 (63 O.S. Supp. 2022, Section
15 427.3), which relates to the Oklahoma Medical
16 Marijuana and Patient Protection Act; requiring
17 establishment of procedures to monitor, collect, and
18 transmit certain usage information of licensed
19 medical marijuana commercial growers; providing for
20 the transmission of monthly usage reports; requiring
21 the development of rules, exemptions, and procedures;
22 providing for license revocation; providing for
23 codification; and providing an effective date.
24

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

19 SECTION 1. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 180.12 of Title 17, unless there
21 is created a duplication in numbering, reads as follows:

22 Every existing licensed medical marijuana commercial grower
23 shall be required to inform retail suppliers or electric
24 cooperatives utilized of their status as a licensed medical

1 marijuana commercial grower within thirty (30) days after the
2 effective date of this act. Every licensed medical marijuana
3 commercial grower that receives a license after the effective date
4 of this act shall inform retail suppliers or electric cooperatives
5 utilized of their status as a licensed medical marijuana commercial
6 grower at the time of the connection of services. As provided for
7 in paragraph 12 of subsection D of Section 427.3 of Title 63 of the
8 Oklahoma Statutes, a licensed medical marijuana commercial grower
9 shall transmit monthly reports to the Oklahoma Medical Marijuana
10 Authority providing the amount of electricity and water consumed.
11 The monthly reports shall be transmitted in an electronic format
12 that can be integrated with the seed-to-sale software of the
13 Authority.

14 SECTION 2. AMENDATORY 63 O.S. 2021, Section 427.3, as
15 amended by Section 8, Chapter 251, O.S.L. 2022 (63 O.S. Supp. 2022,
16 Section 427.3), is amended to read as follows:

17 Section 427.3 A. There is hereby created the Oklahoma Medical
18 Marijuana Authority which shall address issues related to the
19 medical marijuana program in this state including, but not limited
20 to, the issuance of patient licenses and medical marijuana business
21 licenses, and the dispensing, cultivating, processing, testing,
22 transporting, storage, research, and the use of and sale of medical
23 marijuana pursuant to the Oklahoma Medical Marijuana and Patient
24 Protection Act.

1 B. 1. Beginning on the effective date of this act, the
2 Authority shall cease to be part of or a division of the State
3 Department of Health and shall be deemed to be a separate and
4 distinct agency, to be known as the Oklahoma Medical Marijuana
5 Authority. The Authority and the Executive Director of the
6 Authority shall continue to exercise their statutory powers, duties,
7 and contractual responsibilities. All records, property, equipment,
8 assets, monies, financial interests, liabilities, matters pending,
9 and funds of the division shall be transferred to the Authority.

10 2. All licenses granted by the Department pertaining to medical
11 marijuana shall maintain rights and privileges under the authority
12 of the Authority; provided, however, that all licenses shall be
13 subject to revocation, suspension, or disciplinary action for
14 violation of any of the provisions of the Oklahoma Medical Marijuana
15 and Patient Protection Act and rules promulgated by the Executive
16 Director.

17 3. The Authority shall succeed to any contractual rights or
18 responsibilities incurred by the Department pertaining to medical
19 marijuana.

20 4. Rules promulgated by the State Commissioner of Health
21 pertaining to medical marijuana that are in effect on the effective
22 date of this act shall be immediately adopted and enforced by the
23 Executive Director. The Executive Director maintains the authority
24 to further promulgate and enforce rules.

1 5. The Department and the Authority may enter into an agreement
2 for the transfer of personnel from the Department to the Authority.
3 No employee shall be transferred to the Authority except on the
4 freely given written consent of the employee. All employees who are
5 transferred to the Authority shall not be required to accept a
6 lesser grade or salary than presently received. All employees shall
7 retain leave, sick, and annual time earned, and any retirement and
8 longevity benefits which have accrued during their tenure with the
9 Department. The transfer of personnel between the state agencies
10 shall be coordinated with the Office of Management and Enterprise
11 Services.

12 6. The expenses incurred by the Authority as a result of the
13 transfer required by this subsection shall be paid by the Authority.

14 7. The division within the Department known as the Oklahoma
15 Medical Marijuana Authority shall be abolished by the Department
16 after the transfer has been completed.

17 8. The Office of Management and Enterprise Services shall
18 coordinate the transfer of records, property, equipment, assets,
19 funds, allotments, purchase orders, liabilities, outstanding
20 financial obligations, or encumbrances provided for in this
21 subsection.

22 C. The Authority shall implement the provisions of the Oklahoma
23 Medical Marijuana and Patient Protection Act consistently with the
24 voter-approved State Question No. 788, Initiative Petition No. 412,

1 subject to the provisions of the Oklahoma Medical Marijuana and
2 Patient Protection Act.

3 D. The Authority shall exercise its respective powers and
4 perform its respective duties and functions as specified in the
5 Oklahoma Medical Marijuana and Patient Protection Act and this title
6 including, but not limited to, the following:

7 1. Determine steps the state shall take, whether administrative
8 or legislative in nature, to ensure that research on marijuana and
9 marijuana products is being conducted for public purposes including
10 the advancement of:

- 11 a. public health policy and public safety policy,
- 12 b. agronomic and horticultural best practices, and
- 13 c. medical and pharmacopoeia best practices;

14 2. Contract with third-party vendors and other governmental
15 entities in order to carry out the respective duties and functions
16 as specified in the Oklahoma Medical Marijuana and Patient
17 Protection Act;

18 3. Upon complaint or upon its own motion and upon a completed
19 investigation, levy fines as prescribed in applicable laws, rules
20 and regulations and suspend, revoke or not renew licenses pursuant
21 to applicable laws, rules and regulations;

22 4. Issue subpoenas for the appearance or production of persons,
23 records and things in connection with disciplinary or contested
24 cases considered by the Authority;

1 5. Apply for injunctive or declaratory relief to enforce the
2 provisions of applicable laws, rules and regulations;

3 6. Inspect and examine all licensed premises of medical
4 marijuana businesses, research facilities, education facilities and
5 waste disposal facilities in which medical marijuana is cultivated,
6 manufactured, sold, stored, transported, tested, distributed or
7 disposed of;

8 7. Upon action by the federal government by which the
9 production, sale and use of marijuana in this state does not violate
10 federal law, work with the Banking Department and the State
11 Treasurer to develop good practices and standards for banking and
12 finance for medical marijuana businesses;

13 8. Establish internal control procedures for licenses including
14 accounting procedures, reporting procedures and personnel policies;

15 9. Establish a fee schedule and collect fees for performing
16 background checks as the Executive Director deems appropriate. The
17 fees charged pursuant to this paragraph shall not exceed the actual
18 cost incurred for each background check;

19 10. Establish a fee schedule and collect fees for material
20 changes requested by the licensee; ~~and~~

21 11. Establish regulations, which require a medical marijuana
22 business to submit information to the Oklahoma Medical Marijuana
23 Authority, deemed reasonably necessary to assist the Authority in
24 the prevention of diversion of medical marijuana by a licensed

1 medical marijuana business. Such information required by the
2 Authority may include, but shall not be limited to:

- 3 a. the square footage of the licensed premises,
- 4 b. a diagram of the licensed premises,
- 5 c. the number and type of lights at the licensed medical
6 marijuana commercial grower business,
- 7 d. the number, type and production capacity of equipment
8 located at the medical marijuana processing facility,
- 9 e. the names, addresses and telephone numbers of
10 employees or agents of a medical marijuana business,
- 11 f. employment manuals and standard operating procedures
12 for the medical marijuana business, and
- 13 g. any other information as the Authority reasonably
14 deems necessary; and

15 12. Establish an electronic procedure for monitoring,
16 collecting, and transmitting licensed medical marijuana commercial
17 growers' monthly usage of electricity and water provided by retail
18 suppliers or electric cooperatives. The Authority shall provide
19 licensed medical marijuana commercial growers a means to transmit
20 monthly reports regarding the amounts of electricity and water
21 consumed by licensed medical marijuana commercial growers. In
22 addition, the Authority shall develop rules, exemptions from the
23 requirements of this paragraph, and any necessary procedures for the
24 metering of the usage of electricity and water by licensed medical

1 marijuana commercial growers that are not supplied by retail
2 suppliers or electric cooperatives including, but not limited to,
3 the usage of well water and gas-powered generators. Refusal or
4 failure to submit the required monthly usage reports or use of an
5 unpermitted water source by a licensed medical marijuana commercial
6 grower shall result in the permanent revocation of the medical
7 marijuana commercial grower license.

8 SECTION 3. This act shall become effective November 1, 2023.

9

10 59-1-6679 GRS 12/21/22

11

12

13

14

15

16

17

18

19

20

21

22

23

24