

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

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

20 Section 427.3 A. There is hereby created the Oklahoma Medical
21 Marijuana Authority which shall address issues related to the
22 medical marijuana program in this state including, but not limited
23 to, the issuance of patient licenses and medical marijuana business
24 licenses, and the dispensing, cultivating, processing, testing,

1 transporting, storage, research, and the use of and sale of medical
2 marijuana pursuant to the Oklahoma Medical Marijuana and Patient
3 Protection Act.

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

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

20 3. The Authority shall succeed to any contractual rights or
21 responsibilities incurred by the Department pertaining to medical
22 marijuana.

23 4. Rules promulgated by the State Commissioner of Health
24 pertaining to medical marijuana that are in effect on the effective

1 date of this act shall be immediately adopted and enforced by the
2 Executive Director. The Executive Director maintains the authority
3 to further promulgate and enforce rules.

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

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

17 7. The division within the Department known as the Oklahoma
18 Medical Marijuana Authority shall be abolished by the Department
19 after the transfer has been completed.

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

1 C. The Authority shall implement the provisions of the Oklahoma
2 Medical Marijuana and Patient Protection Act consistently with the
3 voter-approved State Question No. 788, Initiative Petition No. 412,
4 subject to the provisions of the Oklahoma Medical Marijuana and
5 Patient Protection Act.

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

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

- 14 a. public health policy and public safety policy,
- 15 b. agronomic and horticultural best practices, and
- 16 c. medical and pharmacopoeia best practices;

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

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

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

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

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

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

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

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

22 10. Establish a fee schedule and collect fees for material
23 changes requested by the licensee; and
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1 11. Establish regulations, which require a medical marijuana
2 business to submit information to the Oklahoma Medical Marijuana
3 Authority, deemed reasonably necessary to assist the Authority in
4 the prevention of diversion of medical marijuana by a licensed
5 medical marijuana business. Such information required by the
6 Authority may include, but shall not be limited to:

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

19 12. Establish an electronic procedure for monitoring,
20 collecting, and transmitting licensed medical marijuana commercial
21 growers' monthly usage of electricity and water provided by retail
22 suppliers or electric cooperatives. The Authority shall provide
23 licensed medical marijuana commercial growers a means to transmit
24 monthly reports regarding the amounts of electricity and water

1 consumed by licensed medical marijuana commercial growers. In
2 addition, the Authority shall develop rules, exemptions from the
3 requirements of this paragraph, and any necessary procedures for the
4 metering of the usage of electricity and water by licensed medical
5 marijuana commercial growers that are not supplied by retail
6 suppliers or electric cooperatives including, but not limited to,
7 the usage of well water and gas-powered generators. Refusal or
8 failure to submit the required monthly usage reports or use of an
9 unpermitted water source by a licensed medical marijuana commercial
10 grower shall result in the permanent revocation of the medical
11 marijuana commercial grower license.

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

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14 COMMITTEE REPORT BY: COMMITTEE ON ALCOHOL, TOBACCO AND CONTROLLED
15 SUBSTANCES, dated 03/01/2023 - DO PASS, As Coauthored.

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