

1 STATE OF OKLAHOMA

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

3 CONFERENCE COMMITTEE SUBSTITUTE

4 FOR ENGROSSED

5 SENATE BILL 264

By: Garvin of the Senate

and

Marti and Davis of the  
House

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9 CONFERENCE COMMITTEE SUBSTITUTE

10 An Act relating to medical marijuana; requiring  
11 licensed medical marijuana commercial growers to  
12 inform retail suppliers or electric cooperatives as  
13 to their license status; requiring transmission of  
14 monthly usage reports in certain format to the  
15 Oklahoma Medical Marijuana Authority; amending 63  
16 O.S. 2021, Section 427.3, as last amended by Section  
17 2 of Enrolled House Bill No. 2095 of the 1st Session  
18 of the 59th Oklahoma Legislature (63 O.S. Supp. 2022,  
19 Section 427.3), which relates to Oklahoma Medical  
20 Marijuana Authority duties and functions; requiring  
21 establishment of procedures to monitor, collect, and  
22 transmit certain usage information of licensed  
23 medical marijuana commercial growers; providing for  
24 the transmission of monthly usage reports; requiring  
the development of rules, exemptions, and procedures;  
providing for license revocation; creating the  
Oklahoma Medical Marijuana Authority Board; providing  
for appointments to the Board; prescribing terms of  
office; providing an ex officio member of the Board;  
providing for the election of a chair and vice chair;  
imposing quorum requirements for taking official  
actions; providing exemption from certain  
prohibition; stating powers and duties of the Board;  
providing for reimbursement of expenses pursuant to  
the State Travel Reimbursement Act; authorizing  
meetings; prescribing minimum number of meetings;  
stating manner by which vacancies on the Board shall  
be filled; directing the Oklahoma Medical Marijuana

1 Authority to provide clerical staff and space for  
2 meetings; providing for applicability of Oklahoma  
3 Open Meeting Act, Oklahoma Open Records Act, and  
4 Administrative Procedures Act; providing for  
5 codification; and providing an effective date.

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

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

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

1 SECTION 2. AMENDATORY 63 O.S. 2021, Section 427.3, as  
2 last amended by Section 2 of Enrolled House Bill No. 2095 of the 1st  
3 Session of the 59th Oklahoma Legislature (63 O.S. Supp. 2022,  
4 Section 427.3), is amended to read as follows:

5 Section 427.3. A. There is hereby created the Oklahoma Medical  
6 Marijuana Authority within the State Department of Health which  
7 shall address issues related to the medical marijuana program in  
8 Oklahoma including, but not limited to, the issuance of patient  
9 licenses and medical marijuana business licenses, and the  
10 dispensing, cultivating, processing, testing, transporting, storage,  
11 research, and the use of and sale of medical marijuana pursuant to  
12 the Oklahoma Medical Marijuana and Patient Protection Act.

13 B. The Department shall provide support staff to perform  
14 designated duties of the Authority. The Department shall also  
15 provide office space for meetings of the Authority.

16 C. The Authority shall implement the provisions of the Oklahoma  
17 Medical Marijuana and Patient Protection Act consistently with the  
18 voter-approved State Question No. 788, Initiative Petition No. 412,  
19 subject to the provisions of the Oklahoma Medical Marijuana and  
20 Patient Protection Act.

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

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

- 5           a. public health policy and public safety policy,
- 6           b. agronomic and horticultural best practices, and
- 7           c. medical and pharmacopoeia best practices;

8           2. Contract with third-party vendors and other governmental  
9 entities in order to carry out the respective duties and functions  
10 as specified in the Oklahoma Medical Marijuana and Patient  
11 Protection Act;

12           3. Upon complaint or upon its own motion and upon a completed  
13 investigation, levy fines as prescribed in applicable laws, rules,  
14 and regulations and suspend, revoke, or not renew licenses pursuant  
15 to applicable laws, rules, and regulations;

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

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

21           6. Inspect and examine all licensed premises of medical  
22 marijuana businesses, research facilities, education facilities, and  
23 waste disposal facilities in which medical marijuana is cultivated,  
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1 manufactured, sold, stored, transported, tested, distributed, or  
2 disposed of;

3 7. Upon action by the federal government by which the  
4 production, sale, and use of marijuana in Oklahoma does not violate  
5 federal law, work with the ~~Oklahoma State~~ Banking Department and the  
6 State Treasurer to develop good practices and standards for banking  
7 and finance for medical marijuana businesses;

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

10 9. Establish a fee schedule and collect fees for performing  
11 background checks as the Authority deems appropriate. The fees  
12 charged pursuant to this paragraph shall not exceed the actual cost  
13 incurred for each background check;

14 10. Establish a fee schedule and collect fees for material  
15 changes requested by the licensee;

16 11. Establish regulations, which require a medical marijuana  
17 business to submit information to the Authority, deemed reasonably  
18 necessary to assist the Authority in the prevention of diversion of  
19 medical marijuana by a licensed medical marijuana business. Such  
20 information required by the Authority may include, but shall not be  
21 limited to:

- 22 a. the square footage of the licensed premises,
- 23 b. a diagram of the licensed premises,

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- c. the number and type of lights at the licensed medical marijuana commercial grower business,
- d. the number, type, and production capacity of equipment located at the medical marijuana processing facility,
- e. the names, addresses, and telephone numbers of employees or agents of a medical marijuana business,
- f. employment manuals and standard operating procedures for the medical marijuana business, and
- g. any other information as the Authority reasonably deems necessary;

12. Declare and establish a moratorium on processing and issuing new medical marijuana business licenses pursuant to Section 427.14 of this title for an amount of time the Authority deems necessary; ~~and~~

13. Enter into and negotiate the terms of Memorandums of Understanding between the Authority and other state agencies concerning the enforcement of laws regulating medical marijuana in this state. The Oklahoma State Bureau of Narcotics and Dangerous Drugs Control, the Oklahoma State Bureau of Investigation, and the Oklahoma Attorney General shall have full authority to investigate and enforce any violations of the laws regarding medical marijuana including medical marijuana business licenses held by commercial growers, processors, transporters, researchers, education facilities, and waste disposal facilities; and

1        14. Establish an electronic procedure for monitoring,  
2 collecting, and transmitting licensed medical marijuana commercial  
3 growers' monthly usage of electricity and water provided by retail  
4 suppliers or electric cooperatives. The Authority shall provide  
5 licensed medical marijuana commercial growers a means to transmit  
6 monthly reports regarding the amounts of electricity and water  
7 consumed by licensed medical marijuana commercial growers. In  
8 addition, the Authority shall develop rules, exemptions from the  
9 requirements of this paragraph, and any necessary procedures for the  
10 metering of the usage of electricity and water by licensed medical  
11 marijuana commercial growers that are not supplied by retail  
12 suppliers or electric cooperatives including, but not limited to,  
13 the usage of well water and gas-powered generators. Refusal or  
14 failure to submit the required monthly usage reports or use of an  
15 unpermitted water source by a licensed medical marijuana commercial  
16 grower shall result in the permanent revocation of the medical  
17 marijuana commercial grower license.

18        SECTION 3.        NEW LAW        A new section of law to be codified  
19 in the Oklahoma Statutes as Section 427.26 of Title 63, unless there  
20 is created a duplication in numbering, reads as follows:

21        A. There is hereby created the Oklahoma Medical Marijuana  
22 Authority Board.

23        B. The Oklahoma Medical Marijuana Authority Board shall consist  
24 of the following members and all appointees shall serve their terms

1 at the pleasure of the appointing authority and may be removed or  
2 replaced without cause:

3 1. One member appointed by the Governor who shall be a chief of  
4 police, or a designee, of a municipality with a population over one  
5 hundred thousand (100,000), as determined by the latest Federal  
6 Decennial Census;

7 2. One member appointed by the Governor who shall be a sheriff,  
8 or a designee, of a county with a population under twenty-five  
9 thousand (25,000), as determined by the latest Federal Decennial  
10 Census;

11 3. One member appointed by the Governor who shall be an elected  
12 official either of a municipality with a population under one  
13 hundred thousand (100,000), as determined by the latest Federal  
14 Decennial Census or of a county with a population under twenty-five  
15 thousand (25,000), as determined by the latest Federal Decennial  
16 Census;

17 4. One member who is a district attorney appointed by the  
18 Governor selected from a list submitted by the District Attorneys  
19 Council;

20 5. One member who is a licensed physician appointed by the  
21 Governor selected from a list submitted by the State Board of  
22 Medical Licensure and Supervision;

23 6. One member who is a licensed medical marijuana commercial  
24 grower appointed by the Governor;



1           7. One member who is a licensed medical marijuana processor  
2 appointed by the Speaker of the House of Representatives;

3           8. One member who is a licensed medical marijuana dispensary  
4 owner appointed by the Speaker of the House of Representatives;

5           9. One member who is a licensed medical marijuana transporter  
6 appointed by the President Pro Tempore of the Senate; and

7           10. One member who is a licensed medical marijuana testing  
8 laboratory owner appointed by the President Pro Tempore of the  
9 Senate.

10           C. Each member of the Oklahoma Medical Marijuana Authority  
11 Board shall serve a term of four (4) years from the date of  
12 appointment. Members of the Board shall not serve more than two  
13 consecutive terms. The Executive Director of the Oklahoma Medical  
14 Marijuana Authority shall be an ex officio member of the Board, but  
15 shall be entitled to vote only in case of a tie vote.

16           D. A chair and vice chair shall be elected annually from the  
17 membership of the Oklahoma Medical Marijuana Authority Board. A  
18 majority of the members of the Board shall constitute a quorum for  
19 the transaction of business and for taking any official action.  
20 Official action of the Board must have a favorable vote by a  
21 majority of the members present.

22           E. Appointed members who serve on the Board shall be exempt  
23 from dual-office-holding prohibitions pursuant to Section 6 of Title  
24 51 of the Oklahoma Statutes.

1 F. The Oklahoma Medical Marijuana Authority Board shall be the  
2 rulemaking body for the Oklahoma Medical Marijuana Authority and  
3 shall have the power and duty to:

4 1. Establish the policies of the Oklahoma Medical Marijuana  
5 Authority;

6 2. Review and enter into contracts between the Authority and  
7 vendors; and

8 3. Adopt and promulgate rules as necessary and appropriate to  
9 carry out the duties and responsibilities of the Oklahoma Medical  
10 Marijuana Authority.

11 G. Members appointed pursuant to subsection B of this section  
12 shall serve without compensation but shall be reimbursed for  
13 expenses incurred in the performance of their duties in accordance  
14 with the State Travel Reimbursement Act.

15 H. The Oklahoma Medical Marijuana Authority Board shall meet as  
16 often as necessary to conduct business but shall meet not less than  
17 four times a year, with an organizational meeting to be held prior  
18 to January 1, 2024. In addition, special meetings may be called by  
19 the Executive Director of the Oklahoma Medical Marijuana Authority.

20 I. Any vacancy occurring on the Oklahoma Medical Marijuana  
21 Authority Board shall be filled for the unexpired term of office in  
22 the same manner as provided for in subsection B of this section.

23 J. The Oklahoma Medical Marijuana Authority shall provide  
24 clerical staff to perform designated duties of the Oklahoma Medical

1 Marijuana Authority Board. The Oklahoma Medical Marijuana Authority  
2 shall also provide space for meetings of the Board.

3 K. The Oklahoma Medical Marijuana Authority Board shall act in  
4 accordance with the provisions of the Oklahoma Open Meeting Act, the  
5 Oklahoma Open Records Act, and the Administrative Procedures Act.

6 SECTION 4. This act shall become effective November 1, 2023.

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