

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 56<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 1120</b>
<b>Version:</b>	<b>ENGR</b>
<b>Request Number:</b>	
<b>Author:</b>	<b>Rep. Kannady</b>
<b>Date:</b>	<b>3/26/2018</b>
<b>Impact:</b>	<b>Establishes criminal penalties for violations and associated fines; State Department of Health: \$3,127,000</b>

**Research Analysis**

The engrossed measure establishes a regulatory framework for medical marijuana that includes the areas of possession, acquisition, use, delivery, transfer, transportation or administration of medical marijuana by a certified patient or designated caregiver. It provides penalties for criminal diversion and retention of medical marijuana. The measure outlines regulations for registered organizations including the acquisition, possession, manufacture, selling, delivery, transport, distribution or dispensing of medical marijuana. Such organizations must employ a pharmacist who is licensed by and in good standing with the State Board of Pharmacy. The measure designates the State Department of Health as the regulatory authority for medical marijuana. The department may study the effectiveness of the program but must provide a report to the Governor and Legislature every two years on the use of medical marijuana and make recommendations as necessary.

Prepared By: Scott Tohlen

**Fiscal Analysis**

The measure establishes the following criminal charges and associated penalties for violators:

<b>Crime</b>	<b>Penalty</b>
Criminal diversion of medical marijuana in the first degree	First offense: punishable by incarceration of not less than 1-5 years and a fine not to exceed \$20,000. Second offense and beyond: 1-10 years of incarceration.
Criminal diversion of medical marijuana in the second degree	First offense: felony punishable by incarceration of not less than 1-2 years and a fine not to exceed \$10,000. Second offense and beyond: felony and 1-5 years of incarceration.
Criminal retention of marijuana	Punishable by a misdemeanor and incarceration not to exceed 1 year and a fine of up to \$5,000.

The average incarceration rate for an individual in DOC custody is \$58.70/day or \$21,425.50/year. The exact impact is contingent upon how many individuals are convicted, how long their incarceration period is set to be, and the amount of the fine they are obligated to pay.

**From the State Department of Health:**

SB1120 is contingent upon the certification of election returns favoring passage of State Question No. 788, as stated in Section 13 of the bill. In September of 2017, the OSDH estimated \$2.6 million would be needed to implement the new law stemming from passage of SQ788 thereby establishing a medical marijuana program in Oklahoma.

SB1120 identifies additional areas of responsibility the OSDH must oversee for the medical marijuana program which broadly include: registering certified practitioners; verifying patient certifications; approving laboratories; creating procedures to register organizations including signage requirements; reporting research and performance evaluation; pricing products; and coordinating with Anti-Drug Diversion Act systems.

The OSDH estimates approximately \$527,000 dollars (in addition to the estimated \$2.6 million for SQ788) would be needed to implement the new medical marijuana program per SB1120.

Prepared By: Stacy Johnson & Kristina King

**Other Considerations**

None.