

SENATE CHAMBER
STATE OF OKLAHOMA

DISPOSITION

☒ FLOOR AMENDMENT

No. _____

☐ COMMITTEE AMENDMENT

(Date)

I move to amend Senate Bill No. 2038, pages 520 through 525 by

Deleting all of SECTION 137 and SECTION 138 from the bill and inserting a new SECTION 137 on page 520, line 9 1/2 to read as follows:

SECTION 137. AMENDATORY 63 O.S. 2021, Section 427.3, as last amended by Section 19 of Enrolled Senate Bill No. 1995 of the 2nd Session of the 59th Oklahoma Legislature is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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No. 412, subject to the provisions of the Oklahoma Medical Marijuana and Patient Protection Act.

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

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

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

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

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

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

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

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

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

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

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

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

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

- a. the square footage of the licensed premises,
- b. a diagram of the licensed premises,
- 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; ~~and~~

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-;

~~E. 13. The Authority shall be authorized to enter~~ Enter into and negotiate the terms of a Memorandum of Understanding between

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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;

14. Purchase and maintain motor vehicles for use by the employees of the Authority; and

15. Enter into contracts and agreements for the payment of food, lodging, and other authorized expenses as may be necessary to host, conduct, sponsor, or participate in conferences, meetings, or training sessions. The Authority may establish accounts as necessary for the collection and distribution of funds, including funds of sponsors and registration fees, related to such conferences, meetings, and training sessions. Any expenses incurred may be paid directly to the contracting agency or business establishment.

AND amending the title to conform.

Submitted by:

Senator Howard

Howard-MD-FA-SB2038
5/6/2024 11:30 AM

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