

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 59th Legislature (2023)

4 COMMITTEE SUBSTITUTE
5 FOR ENGROSSED
6 SENATE BILL NO. 801

By: Coleman of the Senate

and

Marti of the House

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10 COMMITTEE SUBSTITUTE

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

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

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

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

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

23 Section 427.3 A. There is hereby created the Oklahoma Medical
24 Marijuana Authority which shall address issues related to the

1 medical marijuana program in this state including, but not limited
2 to, the issuance of patient licenses and medical marijuana business
3 licenses, and the dispensing, cultivating, processing, testing,
4 transporting, storage, research, and the use of and sale of medical
5 marijuana pursuant to the Oklahoma Medical Marijuana and Patient
6 Protection Act.

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

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

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

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

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

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

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

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

6 C. The Authority shall implement the provisions of the Oklahoma
7 Medical Marijuana and Patient Protection Act consistently with the
8 voter-approved State Question No. 788, Initiative Petition No. 412,
9 subject to the provisions of the Oklahoma Medical Marijuana and
10 Patient Protection Act.

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

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

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

22 2. Contract with third-party vendors and other governmental
23 entities in order to carry out the respective duties and functions
24

1 as specified in the Oklahoma Medical Marijuana and Patient
2 Protection Act;

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

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

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

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

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

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

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

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

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

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

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

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20 COMMITTEE REPORT BY: COMMITTEE ON ALCOHOL, TOBACCO AND CONTROLLED
21 SUBSTANCES, dated 04/13/2023 - DO PASS, As Amended.
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