

1 STATE OF OKLAHOMA

2 2nd Session of the 58th Legislature (2022)

3 CONFERENCE COMMITTEE  
4 SUBSTITUTE  
5 FOR ENGROSSED  
6 HOUSE BILL NO. 4055

By: Marti, Davis, Talley, and  
McDugle of the House

7 and

Paxton of the Senate

8  
9  
10 CONFERENCE 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 of  
18 Enrolled Senate Bill No. 1543 of the 2nd Session of  
19 the 58th Oklahoma Legislature, which relates to the  
20 Oklahoma Medical Marijuana and Patient Protection  
21 Act; requiring establishment of procedures to  
22 monitor, collect, and transmit certain usage  
23 information of licensed medical marijuana commercial  
24 growers; providing for 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 of Enrolled Senate Bill No. 1543 of the 2nd  
22 Session of the 58th Oklahoma Legislature, is amended to read as  
23 follows:

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

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

18 2. All licenses granted by the Department pertaining to medical  
19 marijuana shall maintain rights and privileges under the authority  
20 of the Authority; provided, however, that all licenses shall be  
21 subject to revocation, suspension, or disciplinary action for  
22 violation of any of the provisions of the Oklahoma Medical Marijuana  
23 and Patient Protection Act and rules promulgated by the Executive  
24 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  
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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, 2022.

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20       58-2-11560       GRS       05/16/22

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