

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE  
4 FOR

5 HOUSE BILL NO. 3208

6 By: Cornwell

7 COMMITTEE SUBSTITUTE

8 An Act relating to medical marijuana; amending 63  
9 O.S. 2021, Section 427.3, which relates to the  
10 Oklahoma Medical Marijuana and Patient Protection  
11 Act; expanding scope of powers and duties; directing  
12 Oklahoma Medical Marijuana Authority to declare and  
13 establish moratorium on issuing certain medical  
14 marijuana business licenses; providing an exception;  
15 requiring review and processing of applications  
16 received prior to certain date; directing the  
17 Authority to promulgate rules; providing for  
18 codification; providing an effective date; and  
19 declaring an emergency.

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

21 SECTION 1. AMENDATORY 63 O.S. 2021, Section 427.3, is  
22 amended to read as follows:

23 Section 427.3 A. There is hereby created the Oklahoma Medical  
24 Marijuana Authority within the State Department of Health which  
shall address issues related to the medical marijuana program in  
Oklahoma including, but not limited to, the issuance of patient  
licenses and medical marijuana business licenses, and the  
dispensing, cultivating, processing, testing, transporting, storage,

1 research, and the use of and sale of medical marijuana pursuant to  
2 the Oklahoma Medical Marijuana and Patient Protection Act.

3 B. The Department shall provide support staff to perform  
4 designated duties of the Authority. The Department shall also  
5 provide office space for meetings of the Authority.

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

11 D. The ~~Department~~ Authority shall exercise its respective  
12 powers and perform its respective duties and functions as specified  
13 in the Oklahoma Medical Marijuana and Patient Protection Act and  
14 this title 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 ~~Department~~ 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 Oklahoma does not violate  
19 federal law, work with the Oklahoma State Banking Department and the  
20 State Treasurer to develop good practices and standards for banking  
21 and 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 ~~Commissioner~~ Authority deems appropriate.  
3 The fees charged pursuant to this paragraph shall not exceed the  
4 actual 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. Declare and establish a moratorium on processing and  
2 issuing new medical marijuana business licenses pursuant to Section  
3 427.14 of this title for an amount of time the Authority deems  
4 necessary.

5            SECTION 2.            NEW LAW            A new section of law to be codified  
6 in the Oklahoma Statutes as Section 427.14a of Title 63, unless  
7 there is created a duplication in numbering, reads as follows:

8            A. Beginning August 1, 2022, and ending August 1, 2024, the  
9 Oklahoma Medical Marijuana Authority shall, based on the number of  
10 current medical marijuana business licenses for dispensaries,  
11 processors, and commercial growers, declare and establish a  
12 moratorium on processing and issuing new medical marijuana business  
13 licenses for dispensaries, processors, and commercial growers. The  
14 Executive Director of the Authority shall be authorized to terminate  
15 the moratorium at any time prior to August 1, 2024, if the Executive  
16 Director determines that all pending licensing reviews, inspections,  
17 or investigations have been completed by the Authority.

18            B. The provisions of this section shall not apply to the  
19 renewal of a medical marijuana business license for a dispensary,  
20 processor, or commercial grower under the provisions of Section  
21 427.14 of Title 63 of the Oklahoma Statutes or to the issuance of a  
22 medical marijuana business license necessitated by a change in the  
23 ownership or location of a medical marijuana dispensary, medical  
24 marijuana processor, or medical marijuana commercial grower;

1 provided, however, the Authority shall be authorized to deny the  
2 request for issuance of a medical marijuana business license due to  
3 a change in ownership if the licensee is subject to any disciplinary  
4 action that may necessitate the revocation, suspension, or  
5 nonrenewal of the medical marijuana business license.

6 C. The Authority shall review and process applications for  
7 medical marijuana business licenses for dispensaries, processors,  
8 and commercial growers if applications were received on or before  
9 August 1, 2022.

10 D. The Authority shall promulgate rules as necessary to  
11 implement the provisions of this section.

12 SECTION 3. This act shall become effective July 1, 2022.

13 SECTION 4. It being immediately necessary for the preservation  
14 of the public peace, health or safety, an emergency is hereby  
15 declared to exist, by reason whereof this act shall take effect and  
16 be in full force from and after its passage and approval.

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