

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE

4 FOR

HOUSE BILL NO. 3530

By: Hardin (David)

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8 COMMITTEE SUBSTITUTE

9 An Act relating to public health and safety; amending
10 63 O.S. 2021, Sections 426 and 427.3, which relate to
11 the Oklahoma Medical Marijuana Authority; modifying
12 apportionment of excise tax; providing for specified
13 dollar amount to be apportioned to County Sheriff
14 Public Safety Grant Revolving Fund; creating County
15 Sheriff Public Safety Grant Revolving Fund; providing
16 for use of apportioned funds by Oklahoma Medical
17 Marijuana Authority; prescribing procedures for
18 expenditures; providing for local law enforcement
19 programs; providing for codification; providing an
20 effective date; and declaring an emergency.

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

22 SECTION 1. AMENDATORY 63 O.S. 2021, Section 426, is
23 amended to read as follows:

24 Section 426. A. The tax on retail medical marijuana sales will
be established at seven percent (7%) of the gross amount received by
the seller.

1 B. This tax will be collected at the point of sale. Except as
2 provided for in subsection D of this section, tax proceeds will be
3 applied primarily to finance the regulatory office.

4 C. Except as provided for in subsection D of this section, if
5 proceeds from the levy authorized by subsection A of this section
6 exceed the budgeted amount for running the regulatory office, any
7 surplus shall be apportioned with seventy-five percent (75%) going
8 to the General Revenue Fund and may only be expended for common
9 education including funding redbud school grants pursuant to Section
10 3-104 of Title 70 of the Oklahoma Statutes. Twenty-five percent
11 (25%) shall be apportioned to the ~~Oklahoma~~ State Department of
12 Health and earmarked for drug and alcohol rehabilitation.

13 D. For fiscal year ~~2022~~ 2023 and for each fiscal year
14 thereafter, proceeds from the levy authorized by subsection A of
15 this section shall be apportioned as follows:

16 1. The first ~~Sixty-five Million Dollars (\$65,000,000.00)~~ Five
17 Million Dollars (\$5,000,000.00), allocated in equal monthly amounts
18 of one-twelfth (1/12) during each fiscal year, shall be apportioned
19 ~~as follows:~~

- 20 a. ~~fifty-nine and twenty-three hundredths percent~~
21 ~~(59.23%) to the State Public Common School Building~~
22 ~~Equalization Fund,~~
- 23 b. ~~thirty-four and sixty-two hundredths percent (34.62%)~~
24 ~~to the Oklahoma Medical Marijuana Authority, a~~

1 ~~division within the Oklahoma State Department of~~
2 ~~Health, and~~

3 e. ~~six and fifteen hundredths percent (6.15%) to the~~
4 ~~Oklahoma State Department of Health and earmarked for~~
5 ~~drug and alcohol rehabilitation to the County Sheriff~~
6 Public Safety Grant Revolving Fund created pursuant to
7 Section 2 of this act; and

8 2. Any surplus collections, in excess of the monthly allocation
9 required by paragraph 1 of this subsection, shall be apportioned to
10 the General Revenue Fund of the State Treasury.

11 SECTION 2. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 427.3A of Title 63, unless there
13 is created a duplication in numbering, reads as follows:

14 There is hereby created in the State Treasury a revolving fund
15 for the Oklahoma Medical Marijuana Authority to be designated the
16 "County Sheriff Public Safety Grant Revolving Fund". The fund shall
17 be a continuing fund, not subject to fiscal year limitations, and
18 shall consist of all monies received by the Oklahoma Medical
19 Marijuana Authority from the apportionment of the excise tax on
20 medical marijuana as provided by Section 426 of Title 63 of the
21 Oklahoma Statutes. All monies accruing to the credit of said fund
22 are hereby appropriated and may be budgeted and expended by the
23 Oklahoma Medical Marijuana Authority for the purpose specified by
24 paragraph 12 of subsection D of Section 427.3 of Title 63 of the

1 Oklahoma Statutes. Expenditures from said fund shall be made upon
2 warrants issued by the State Treasurer against claims filed as
3 prescribed by law with the Director of the Office of Management and
4 Enterprise Services for approval and payment.

5 SECTION 3. AMENDATORY 63 O.S. 2021, Section 427.3, is
6 amended to read as follows:

7 Section 427.3 A. There is hereby created the Oklahoma Medical
8 Marijuana Authority within the State Department of Health which
9 shall address issues related to the medical marijuana program in
10 Oklahoma including, but not limited to, the issuance of patient
11 licenses and medical marijuana business licenses, and the
12 dispensing, cultivating, processing, testing, transporting, storage,
13 research, and the use of and sale of medical marijuana pursuant to
14 the Oklahoma Medical Marijuana and Patient Protection Act.

15 B. The Department shall provide support staff to perform
16 designated duties of the Authority. The Department shall also
17 provide office space for meetings of the Authority.

18 C. The Department shall implement the provisions of the
19 Oklahoma Medical Marijuana and Patient Protection Act consistently
20 with the voter-approved State Question No. 788, Initiative Petition
21 No. 412, subject to the provisions of the Oklahoma Medical Marijuana
22 and Patient Protection Act.

23 D. The Department shall exercise its respective powers and
24 perform its respective duties and functions as specified in the

1 Oklahoma Medical Marijuana and Patient Protection Act and this title
2 including, but not limited to, the following:

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

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

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

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

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

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

23 6. Inspect and examine all licensed premises of medical
24 marijuana businesses, research facilities, education facilities and

1 waste disposal facilities in which medical marijuana is cultivated,
2 manufactured, sold, stored, transported, tested, distributed or
3 disposed of;

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

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

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

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

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

- 23 a. the square footage of the licensed premises,
- 24 b. a diagram of the licensed premises,

- 1 c. the number and type of lights at the licensed medical
2 marijuana commercial grower business,
3 d. the number, type and production capacity of equipment
4 located at the medical marijuana processing facility,
5 e. the names, addresses and telephone numbers of
6 employees or agents of a medical marijuana business,
7 f. employment manuals and standard operating procedures
8 for the medical marijuana business, and
9 g. any other information as the Authority reasonably
10 deems necessary; and

11 12. Establish programs and provide funding, from the revenues
12 apportioned pursuant to paragraph 1 of subsection D of Section 426
13 of this title, to support county sheriffs to enforce the
14 requirements of state law with respect to the commercial growth of
15 medical marijuana or other related business activity for which a
16 license is required pursuant to the provisions of law governing the
17 production, cultivation, transportation, distribution, sale, or
18 other actions related to medical marijuana.

19 SECTION 4. This act shall become effective July 1, 2022.

20 SECTION 5. It being immediately necessary for the preservation
21 of the public peace, health or safety, an emergency is hereby
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1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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