

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   2nd Session of the 58th Legislature (2022)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 3208

By: Cornwell of the House

and

**Paxton** of the Senate

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10                                   COMMITTEE SUBSTITUTE

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

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

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

                  Section 427.3 A. There is hereby created the Oklahoma Medical  
Marijuana Authority within the State Department of Health which  
shall address issues related to the medical marijuana program in

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

6 B. The Department shall provide support staff to perform  
7 designated duties of the Authority. The Department shall also  
8 provide office space for meetings of the Authority.

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

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

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

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

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

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

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

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

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

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

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

3 9. Establish a fee schedule and collect fees for performing  
4 background checks as the ~~Commissioner~~ Authority deems appropriate.  
5 The fees charged pursuant to this paragraph shall not exceed the  
6 actual cost incurred for each background check;

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

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

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

1 g. any other information as the Authority reasonably  
2 deems necessary; and

3 12. Declare and establish a moratorium on processing and  
4 issuing new medical marijuana business licenses pursuant to Section  
5 427.14 of this title for an amount of time the Authority deems  
6 necessary.

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

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

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

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

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

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

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

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

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20 COMMITTEE REPORT BY: COMMITTEE ON ALCOHOL, TOBACCO AND CONTROLLED  
21 SUBSTANCES, dated 03/03/2022 - DO PASS, As Amended and Coauthored.

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