

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. 437

By: Garvin of the Senate

and

Marti of the House

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10 COMMITTEE SUBSTITUTE

11 An Act relating to medical marijuana; amending 63
12 O.S. 2021, Section 427.13, as amended by Section 14,
13 Chapter 251, O.S.L. 2022 (63 O.S. Supp. 2022, Section
14 427.13), which relates to the Oklahoma Medical
15 Marijuana and Patient Protection Act; directing the
16 Oklahoma Medical Marijuana Authority to issue
17 requests for proposals; directing Authority to select
18 a vendor for seed-to-sale inventory tracking system;
19 providing time limitation; stating responsibilities
20 of the Authority; providing requirements for the
21 seed-to-sale inventory tracking system; directing the
22 Authority to provide training and training materials;
23 repealing 63 O.S. 2021, Section 427.13, as amended by
24 Section 7, Chapter 584, O.S.L. 2021, which relates to
 medical marijuana; and declaring an emergency.

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

SECTION 1. AMENDATORY 63 O.S. 2021, Section 427.13, as
amended by Section 14, Chapter 251, O.S.L. 2022 (63 O.S. Supp. 2022,
Section 427.13), is amended to read as follows:

1 Section 427.13 A. All medical marijuana and medical marijuana
2 products shall be purchased solely from a state-licensed medical
3 marijuana business, and shall not be purchased from any out-of-state
4 providers.

5 B. 1. The Oklahoma Medical Marijuana Authority shall have
6 oversight and auditing responsibilities to ensure that all marijuana
7 being grown in this state is accounted for and shall implement an
8 inventory tracking system. Pursuant to these duties, the Authority
9 shall require that each medical marijuana business, medical
10 marijuana research facility, medical marijuana education facility
11 and medical marijuana waste disposal facility keep records for every
12 transaction with another medical marijuana business, patient or
13 caregiver. Inventory shall be tracked and updated after each
14 individual sale and reported to the Authority.

15 2. The inventory tracking system licensees use shall allow for
16 integration of other seed-to-sale systems and, at a minimum, shall
17 include the following:

- 18 a. notification of when marijuana seeds and clones are
19 planted,
- 20 b. notification of when marijuana plants are harvested
21 and destroyed,
- 22 c. notification of when marijuana is transported, sold,
23 stolen, diverted or lost,

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- d. a complete inventory of all marijuana, seeds, plant tissue, clones, plants, usable marijuana or trim, leaves and other plant matter, batches of extract, and marijuana concentrates,
- e. all samples sent to a testing laboratory, an unused portion of a sample returned to a licensee, all samples utilized by licensee for purposes of negotiating a sale, and
- f. all samples used for quality testing by a licensee.

3. Each medical marijuana business, medical marijuana research facility, medical marijuana education facility and medical marijuana waste disposal facility shall use a seed-to-sale tracking system or integrate its own seed-to-sale tracking system with the seed-to-sale tracking system established by the Authority.

4. These records shall include, but not be limited to, the following:

- a. the name and license number of the medical marijuana business that cultivated, manufactured or sold the medical marijuana or medical marijuana product,
- b. the address and phone number of the medical marijuana business that cultivated, manufactured or sold the medical marijuana or medical marijuana product,
- c. the type of product received during the transaction,
- d. the batch number of the marijuana plant used,

- e. the date of the transaction,
- f. the total spent in dollars,
- g. all point-of-sale records,
- h. marijuana excise tax records, and
- i. any additional information as may be reasonably required by the Executive Director of the Oklahoma Medical Marijuana Authority.

5. All inventory tracking records retained by a medical marijuana business, medical marijuana research facility, medical marijuana education facility or medical marijuana waste disposal facility containing medical marijuana patient or caregiver information shall comply with all relevant state and federal laws including, but not limited to, the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

C. 1. Upon the effective date of this act, the Authority shall have thirty (30) business days to issue a request for proposals and select through a competitive bidding process, pursuant to Section 85.7 of Title 74 of the Oklahoma Statutes, a vendor that shall provide a seed-to-sale inventory tracking system for medical marijuana business licensees. The contract may be a multi-year contract or renewable annually, in accordance with any applicable guidelines or procedures required by the Authority.

2. The Authority shall be responsible for all costs associated with the seed-to-sale tracking system chosen by the Authority. The

1 seed-to-sale inventory tracking system shall feature a software
2 infrastructure that provides maximum flexibility for the exchange of
3 data between the Authority and medical marijuana business licensees.
4 The seed-to-sale inventory tracking system shall allow the medical
5 marijuana business licensees to submit data to the Authority
6 directly through an application program interface (API), data
7 interchange service tool, or by means of a process and technology
8 acceptable to the Authority. If the Authority selects a vendor
9 whose proprietary software requires the utilization of barcodes,
10 radio-frequency identification tags (RFID), or quick response (QR)
11 codes to manage data entry, the Authority shall be responsible for
12 purchasing the equipment necessary for medical marijuana business
13 licensees to interface with the software of the seed-to-sale
14 inventory tracking system.

15 3. Upon selecting a vendor and prior to implementation of the
16 seed-to-sale inventory tracking system, the Authority shall be
17 responsible for providing sufficient training and training materials
18 to medical marijuana business licensees. Any administrative costs
19 related to training and training materials shall be the sole
20 responsibility of the Authority.

21 SECTION 2. REPEALER 63 O.S. 2021, Section 427.13, as
22 amended by Section 7, Chapter 584, O.S.L. 2021, is hereby repealed.

23 SECTION 3. It being immediately necessary for the preservation
24 of the public peace, health or safety, an emergency is hereby

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

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