

INITIAL RULE IMPACT STATEMENT

TITLE 442. OKLAHOMA MEDICAL MARIJUANA AUTHORITY

CHAPTER 1. ADMINISTRATIVE OPERATIONS

1. A STATEMENT OF THE NEED FOR THE RULE AND LEGAL BASIS SUPPORTING IT:

The amendments establish administrative rules governing proceedings before the Oklahoma Medical Marijuana Authority, including provisions related to pleadings, discovery, subpoenas, depositions, evidence, proposed findings, and final agency orders. The amendments further establish an appeal process for adverse employee credential determinations and clarify procedural safeguards applicable to hearings, discovery, and confidentiality. These amendments are necessary to ensure consistent and fair administrative process and to align Authority procedures with applicable statutes, including 63 O.S. §§ 420 et seq., 427.1 et seq., 428 et seq., and the Oklahoma Administrative Procedures Act. The legal basis supporting these rule changes is 63 O.S. §§ 420-431.1.

2. A CLASSIFICATION OF THE RULE AS MAJOR OR NONMAJOR, WITH A JUSTIFICATION FOR THE CLASSIFICATION, INCLUDING AN ESTIMATE OF THE TOTAL ANNUAL IMPLEMENTATION AND COMPLIANCE COSTS INCURRED BY OR PASSED ALONG TO BUSINESSES, STATE OR LOCAL GOVERNMENT UNITS, OR INDIVIDUALS AND A DETERMINATION OF WHETHER THOSE COSTS EXCEED \$1 MILLION OVER THE INITIAL 5 YEAR PERIOD:

The proposed rules are classified as nonmajor. The amendments primarily clarify administrative hearings procedure and add enhanced structure and clarity to discovery and appeals processes. The implementation and compliance costs to businesses, government entities, or individuals are not expected to exceed one million dollars (\$1,000,000) within the initial five-year period. No new fees, equipment, or reporting obligations are created by these amendments. There are no expected annual implementation and compliance costs as a result of these rule changes.

3. DESCRIPTION, INCLUDING A DETERMINATION OF WHETHER THE PROPOSED RULE IS MANDATED BY FEDERAL LAW, OR AS A REQUIREMENT FOR PARTICIPATION IN OR IMPLEMENTATION OF A FEDERALLY SUBSIDIZED OR ASSISTED PROGRAM, AND WHETHER THE PROPOSED RULE EXCEEDS THE REQUIREMENTS OF THE APPLICABLE FEDERAL LAW:

The proposed rules are not mandated by federal law, nor are they a condition of participation in a federally subsidized or assisted program. The amendments are based solely on state statutory authority and do not exceed any applicable federal requirements.

4. DESCRIPTION OF CLASSES OF PERSONS AFFECTED AND COST IMPACT RESPONSE, INCLUDING CLASSES THAT WILL BEAR THE COSTS OF THE PROPOSED RULE(S), AND ANY INFORMATION ON COST IMPACTS RECEIVED BY THE AGENCY FROM ANY PRIVATE OR PUBLIC ENTITIES:

Persons affected include commercial licensees and applicants subject to administrative proceedings. The amendments are procedural and are not expected to create new costs for affected persons or entities.

5. DESCRIPTION OF PERSONS BENEFITING, VALUE OF BENEFIT AND EXPECTED

HEALTH OUTCOMES:

Commercial licensees and applicants will benefit from these proposed rules, as they will receive greater clarity and consistency in hearing procedures, discovery, and evidence requirements. The Authority benefits from improved efficiency and defined timelines. These rule changes will ensure the Authority continues to protect the health and safety of all licensees and licensed patients in the state.

6. A COMPREHENSIVE ANALYSIS OF THE RULE'S ECONOMIC IMPACT, INCLUDING ANY ANTICIPATED IMPACTS ON THE FULL-TIME-EMPLOYEE COUNT OF THE AGENCY, ANY COSTS OR BENEFITS, AND A DETAILED QUANTIFICATION OF IMPLEMENTATION AND COMPLIANCE COSTS ON THE AFFECTED BUSINESSES, BUSINESS SECTORS, PUBLIC UTILITY RATEPAYERS, INDIVIDUALS, STATE OR LOCAL GOVERNMENT UNITS, AND ON THE STATE ECONOMY AS A WHOLE. THE ANALYSIS SHALL INCLUDE COST OF COMPLIANCE AND FEE CHANGES:

The proposed rules do not impose economic burdens on regulated entities or the public. There are no anticipated increases in fees, operating costs, or compliance requirements. The amendments are expected to improve internal administrative efficiency and ensure due process without affecting the agency's full-time-employee count or the state economy. Proposed rules allowing e-certified mail will save the agency \$2.75 per letter for an annual cost savings of \$30,000, ensuring the agency continues to effectively use state funds.

7. A DETAILED EXPLANATION OF THE METHODOLOGY AND ASSUMPTIONS USED TO DETERMINE THE ECONOMIC IMPACT, INCLUDING THE DOLLAR AMOUNTS CALCULATED:

The proposed rules are procedural in nature and do not establish or modify any substantive business obligations or fees. The Authority has determined that implementation will require no additional expenditures by licensees, state or local governments, or individuals. Proposed rules allowing e-certified mail will save the agency \$2.75 per letter for an annual cost savings of \$30,000, ensuring the agency continues to effectively use state funds.

8. IMPACT ON POLITICAL SUBDIVISIONS OR WHETHER IMPLEMENTATION WILL REQUIRE THEIR COOPERATION IN IMPLEMENTING OR ENFORCING THE RULE:

There are no expected impacts, including adverse economic impacts, on municipalities or political subdivisions. Implementation of these rules will not require cooperation or additional enforcement measures by local government entities.

9. ADVERSE EFFECT ON SMALL BUSINESS:

There are no expected adverse effects on small businesses. The proposed amendments are procedural and will apply equally to all OMMA business licensees.

10. EFFORTS TO MINIMIZE COSTS AND IMPACT OF RULE ON ECONOMIC DEVELOPMENT IN THIS STATE, LOCAL GOVERNMENT UNITS OF THIS STATE, AND INDIVIDUALS:

The Agency has made efforts to minimize costs by gathering input from the industry on amendments that would benefit both agency and industry, as well as limiting the number and scope of amendments to the requirements outlined in state statute and the Administrative Procedures Act.

11. EFFECT ON PUBLIC HEALTH AND SAFETY, AND IF THE PROPOSED RULE(S) IS/ARE DESIGNED TO REDUCE SIGNIFICANT RISKS TO THE PUBLIC HEALTH AND SAFETY, AN EXPLANATION OF THE NATURE OF THE RISK AND TO WHAT EXTENT THE PROPOSED RULE WILL REDUCE THE RISK:

The proposed rules enhance fairness, transparency, and efficiency in administrative proceedings but do not alter any public health standards. These rule changes will ensure the Authority can continue to protect public health and safety of all licensees and licensed patients in the state.

12. DETRIMENTAL EFFECTS ON PUBLIC HEALTH AND SAFETY WITHOUT ADOPTION:

None anticipated.

13. ANALYSIS OF ALTERNATIVES TO ADOPTING THE RULE:

Alternatives to adopting the rule would include reliance on informal administrative practice without codified procedures, which could lead to inconsistent application and lack of transparency for licensees. The proposed amendments provide clear structure and transparency for licensees and the agency.

14. ESTIMATES OF THE AMOUNT OF TIME THAT WOULD BE SPENT BY STATE EMPLOYEES TO DEVELOP THE RULE AND OF THE AMOUNT OF OTHER RESOURCES THAT WOULD BE UTILIZED TO DEVELOP THE RULE:

OMMA employees have spent a combined 20 hours of staff time to develop and review these proposed permanent rules, craft rule submission documents, and ensure an accurate Rule Impact Statement. The Authority anticipates spending an additional 20 hours of staff time to review and respond individually to every public comment received on these legal rules during the public comment period.

15. A SUMMARY AND PRELIMINARY COMPARISON OF ANY EXISTING OR PROPOSED FEDERAL REGULATIONS THAT ARE INTENDED TO ADDRESS THE ACTIVITIES TO BE REGULATED BY THE PROPOSED RULE:

There are no similar federal regulations governing state-level marijuana administrative hearings or employee credential appeals. These amendments are derived exclusively from Oklahoma statutory and regulatory authority and the Administrative Procedures Act.

16. PREPARATION AND MODIFICATION DATES:

This rule impact statement was initially prepared on October 15, 2025.