

ANNUAL REPORT





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MISSION, VISION AND VALUES

OMMA's Role in Oklahoma's Medical Marijuana Industry

OMMA promotes public health and safety through regulation and enforcement of responsible medical cannabis practices by patients and commercial licensees.

Appointed by the Governor and confirmed by the Senate, OMMA's Executive Director is the chief executive and administrative officer managing OMMA's operations and staff.



A Message From Our Executive Director

Reflecting on fiscal year 2024 brings a plethora of thoughts and emotions. We had ups and downs that taught us how far we can stretch ourselves to reach our goals. So, as you read this report, I hope you see through the words on the page to the people who made it all happen. Our team at OMMA is tenacious, passionate and full of true public servants.

The most important, albeit difficult, part of fiscal year 2024 is the large step we took towards restructuring our agency. We collectively spent the last three years focusing intently on enforcement efforts, bringing the industry into compliance with OMMA rules and identifying fraudulent activity on the front end through rigorous commercial license application review. We forged strong partnerships with the state Attornev General's Office and the Oklahoma **Bureau of Narcotics and Dangerous Drugs** Control to tackle enforcement together. Because of these partnerships and hard work. we can build a robust Patient Services unit that will prioritize emerging science around the use of medical cannabis, focus on patient outreach and customer service, and ensure the safety of cannabis products in Oklahoma's medical marijuana market. The quality assurance lab will also open its doors in fiscal year 2025 because of the hard work done by our team in fiscal year 2024. As we test more products, our goal is to hold accountable operators who prioritize profits over public health and safety.

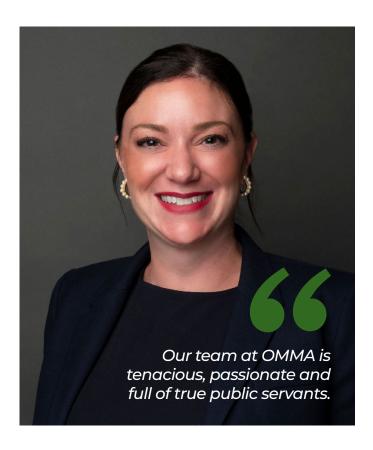
As I stated, we had ups and downs this fiscal year. Nothing worth doing ever comes easily or without stressful days — building and operationalizing a cannabis regulatory agency included. We've made mistakes. We've learned lessons. We fix our mistakes as best as we can and move on to the next issue of the day. This fiscal year, we heard a lot from the industry about a lag in commercial license turnaround time. The lag time was often due to new legislation or problems with our licensing vendor, but regardless, we own that problem and have made progress in turning the numbers around. We've identified new opportunities to communicate

better with the industry to answer questions about their applications on the front end and have begun utilizing robotic process automation (RPA) to process credential applications.

OMMA's future is bright: Projects and plans put in motion over the past several years are coming together in a way that will ensure we're using taxpayer dollars efficiently and effectively while upholding our mission — promote public health and safety through regulation and enforcement of responsible medical cannabis practices by patients and commercial licensees. We have much to look forward to, and it's our honor to humbly serve the citizens of this great state.

With gratitude,

Adria Berry
Executive Director



Finances and Tax Reports

Funding

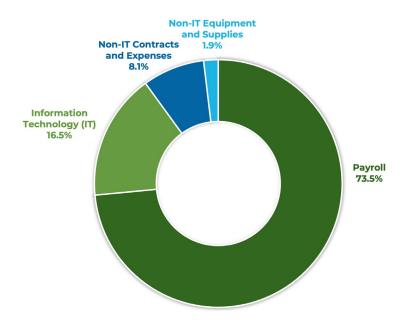
State Question 788 authorized a 7% excise tax on retail sales of medical marijuana and medical marijuana products — sales from dispensaries to patients. Retail medical marijuana sales are subject to state and local sales tax, too. The sales tax revenue goes to local governments and other parts of the state government. OMMA does not receive sales tax revenue.

Starting with fiscal year 2024, OMMA does not directly receive any revenue from excise taxes, licensing fees or fines. Instead, the Legislature appropriates OMMA's funding annually.



Fiscal Year 2024 Budget: \$37 Million

OMMA's budget includes expenses on personnel, contracts, equipment, supplies and more. Contract expenses include licensing software and services from other state agencies.



Because of rounding, budget numbers in the descriptions do not equal \$37 million, but the percentages in the graph do equal 100%.

Payroll

All payroll. **\$27.2 million**

Information Technology (IT)

Includes software contracts, computers, phones, printers, other equipment and related maintenance. **\$6.1 million**

Non-IT Contracts and Expenses

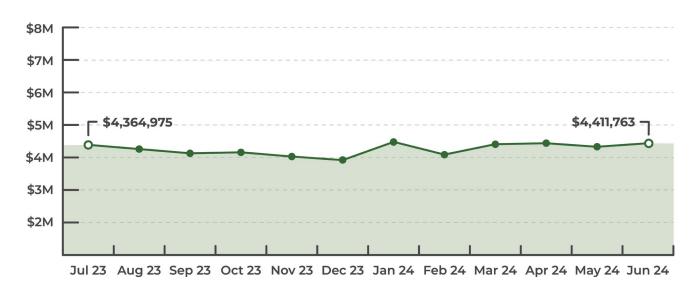
Includes office space rental, vehicle costs, administrative expenses (postage, utilities and office supplies) and interagency invoices to the Office of Management and Enterprise Services, Oklahoma Attorney General and the Oklahoma Tax Commission. **\$3 million**

Non-IT Equipment and Supplies

Includes vehicle purchases and equipment, uniforms and more. \$716,000

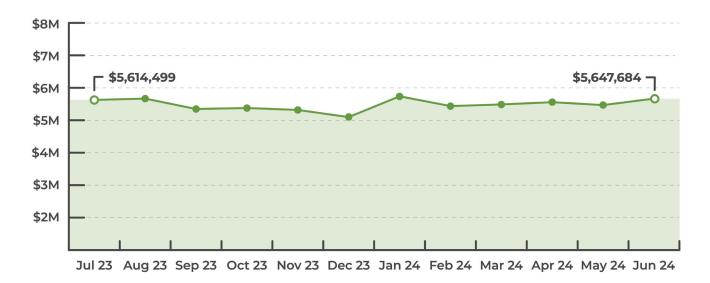
SQ 788 Excise Tax History

FY 2024 (July 2023 - June 2024)......**\$51,007,322**



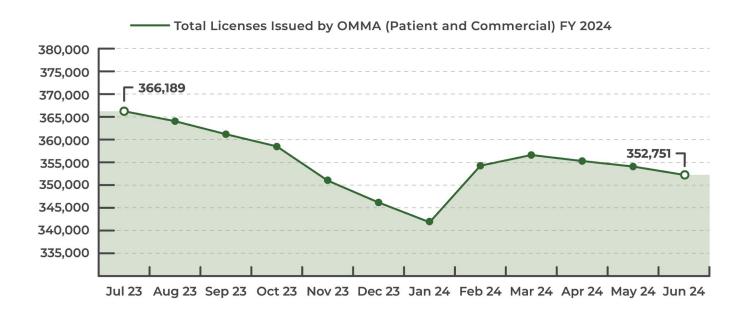
State and Local Sales Tax History

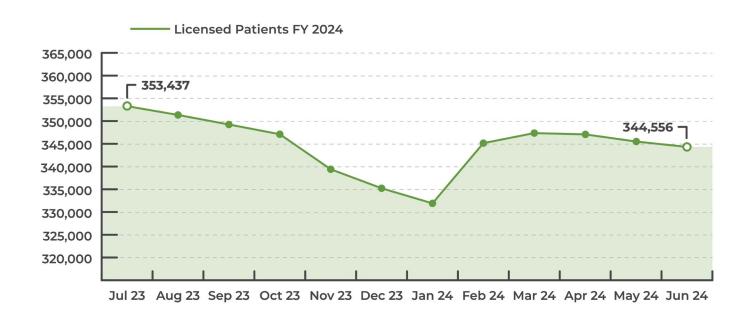
FY 2024 (July 2023 - June 2024)......**\$65,742,279**

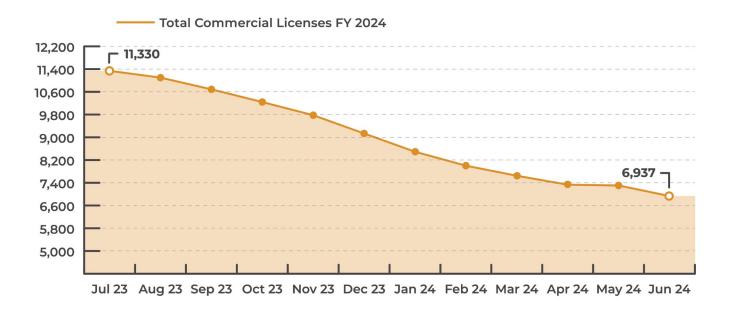


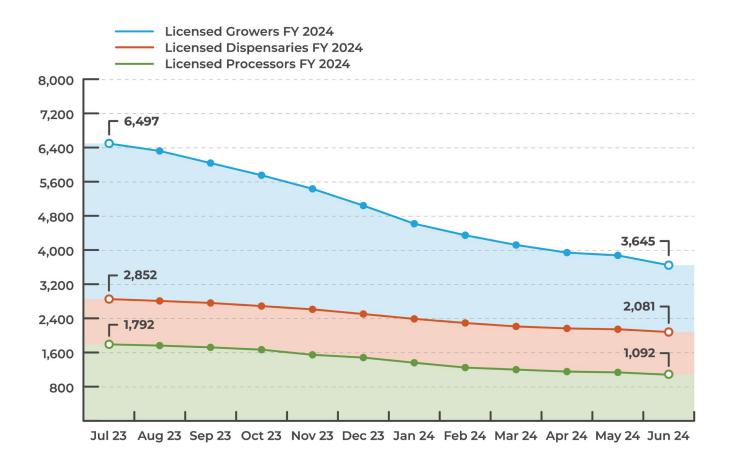
Industry Snapshot

Licensing Data









Legislation and Policy

New State Laws (2024)

With the support and backing of the Legislature and Gov. Kevin Stitt, several bills were passed and signed into law during fiscal year 2024, empowering OMMA to better regulate the medical marijuana industry. The following legislation was signed into law as part of the 2024 regular session; visit omma.ok.gov/legislation for a complete list and more information.

- **Senate Bill 1635:** Adjusts provisions for the renewal of certificates of compliance for medical marijuana businesses, allows municipalities to establish related inspection programs and sets standards for final product testing. Authored by Sen. Bill Coleman.
- **House Bill 3361:** Requires all medical marijuana or medical marijuana products be sold in pre-packaged quantities between 0.5 grams and 3 ounces and directs OMMA to promulgate rules for returning defective or hazardous products. Authored by Rep. T.J. Marti.
- **Senate Bill 1939:** Adjusts provisions for the transfer of commercial licenses. Authored by Sen. Lonnie Paxton.
- **House Bill 1349:** Creates the Oklahoma Medical Marijuana Authority Executive Advisory Council to provide recommendations to OMMA regarding changes to state policy, rules or statutes. Authored by Rep. Scott Fetgatter.
- **Senate Bill 758:** Requires medical marijuana employee credential background checks to include a fingerprint check and establishes a new procedure for approvals, rejections and appeals. Authored by Sen. Lonnie Paxton.

Laboratory Standardization

To address the issue of lab-to-lab variation in Oklahoma, the Legislature passed House Bill 4056 in 2022, directing OMMA to work with labs to develop better regulations for testing techniques.

A committee of licensed testing laboratories, including seven lab directors, met for over 90 hours across 15 meetings to submit 120 pages of recommendations for equipment and testing standards. In fiscal year 2024, these recommendations were included in OMMA's rules after extensive review and a lengthy public comment period. The laboratory standardization rules help ensure the safety of medical cannabis and medical cannabis products for patients and amend testing requirements such as:

- · Round robin testing for statistical analysis by OMMA to address any outlier.
- · More specific requirements for instrumentation.
- · More specific requirements for calibration and method validation.
- · More specific requirements for quality control.
- · More specific requirements for personnel training.





Administrative Rulemaking

When lawmakers create new state laws regarding medical marijuana, OMMA enters the rulemaking process to incorporate the new state laws into OMMA's permanent rules.

As part of the permanent rulemaking process in fiscal year 2024, OMMA held a public hearing for comments on proposed rules. OMMA received and reviewed around 187 comments from industry leaders, patients and the general public. OMMA considered the comments received, clarified rules and published a rule report. Visit omma.ok.gov/rules for a copy of OMMA's rules and to learn more about the rulemaking process.

Budget Hearings

Fiscal year 2024 was OMMA's first as an appropriated agency. OMMA's Government Affairs and Finance teams helped the agency navigate new waters presenting OMMA's budget during legislative hearings on appropriations. In these hearings, OMMA and lawmakers balanced the basic needs of the agency alongside the regulatory demands of the state to craft a transparent, fiscally responsible budget.

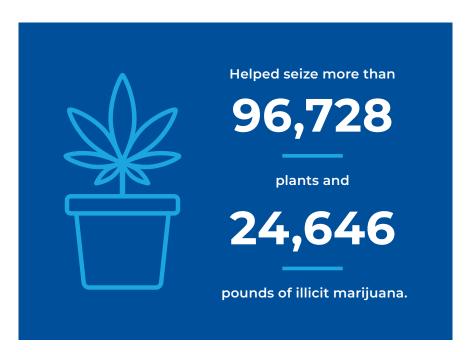
Meeting Mandates

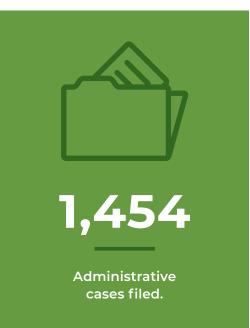
In fiscal year 2024, OMMA's Government Affairs team worked alongside the agency's Project Management Office and Licensing Department on complex projects mandated by lawmakers from previous legislative sessions, including tiered licensing (House Bill 2179 from 2022), employee credentialing (Senate Bill 1704 from 2022), grower bonds (Senate Bill 913 from 2023), process validation (House Bill 3929 from 2022) and laboratory standardization (House Bill 4056 from 2022), just to name a few.

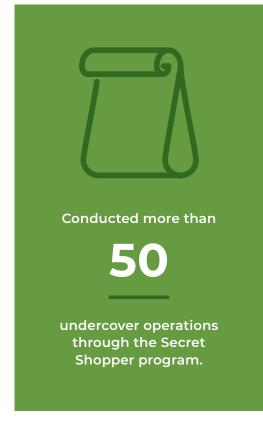
Partner Agency Trainings

OMMA held a series of Partner Agency Trainings in fiscal year 2024 designed to share information and enhance collaboration across state agencies involved in medical marijuana regulation. These trainings and other initiatives allowed OMMA to develop and maintain strong partnerships with other agencies while developing and retaining quality staff.

Regulation and Safety











Outreach and Engagement



CALL CENTER

81,659

Calls received — an average of **1,570** per week.



WEBSITE VISITS

<u>1,767,947</u>

Average time on site: 3:42



EMAIL & CONTACT FORM MESSAGES

60,770

Submissions — an average of **1,168** per week.



FACEBOOK POSTS

165

Total post impressions: 289,775

Post shares: 947

Inquiries answered: 289



DIGITAL NEWSLETTERS & BULLETINS

38

Published to licensees with an average open rate of **70%**.



LEGISLATOR & CONSTITUENT REQUESTS

232

Resolved **232** legislator/constituent requests and **220** requests from partner agencies and municipalities.

Mission, Vision and Values



Promote **public health** and **safety** through **regulation** and **enforcement** of **responsible** medical cannabis practices by **patients** and **commercial licensees.**



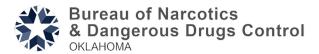
A **safe** medical marijuana program that is **appropriately regulated** to **support** responsible industry **growth** and **innovation**.



Consumer Protection • Integrity Collaboration • Innovation • Quality Service



SPECIAL THANKS TO OMMA PARTNERS





















Oklahoma County and Municipal Governments

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Visit omma.ok.gov/contact to send us an email



Call

Contact our Call Center at 405-522-6662 8:30 a.m. to 4:30 p.m. weekdays (closed on state holidays)



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