INITIAL RULE IMPACT STATEMENT

TITLE 442. OKLAHOMA MEDICAL MARIJUANA AUTHORITY

CHAPTER 1. ADMINISTRATIVE OPERATIONS

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

The proposed amendments establish and clarify administrative procedures governing proceedings before the Oklahoma Medical Marijuana Authority, including provisions related to pleadings, discovery, subpoenas, depositions, evidence, proposed findings, final agency orders, and employee credentials. The amendments also establish procedures by which an interested person may petition the Authority for the promulgation, amendment, or repeal of a rule pursuant to 75 O.S. § 305. Some amendments simply correct grammatical and spelling errors. The amendments are intended to provide clear and consistent administrative procedures and align Authority procedures with applicable state law, including the Oklahoma Administrative Procedures Act, 75 O.S. § 250 et seq., the Code of Civil Procedure of the State of Oklahoma, 12 O.S. § 431, and the Oklahoma Evidence Code, 12 O.S. § 2101 et seq. The legal basis supporting these rule changes includes 63 O.S. § 427.4(E); 63 O.S. § 427.6(N); and 75 O.S. § 305.

2. 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 procedures and establish processes for administrative proceedings and petitions for rulemaking. The implementation and compliance costs to businesses, state or local government units, or individuals are not expected to exceed one million dollars ($1,000,000) during the initial five-year period. The proposed amendments do not establish new fees, require the purchase of equipment, or impose new recurring reporting obligations. There are no expected annual implementation and compliance costs resulting from 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 and are not required for participation in or implementation of a federally subsidized or assisted program. The proposed amendments implement or clarify procedures arising under Oklahoma law and therefore do not impose requirements exceeding an applicable federal mandate.

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 most likely to be affected include OMMA commercial licensees, counsel, or other authorized representatives who participate in administrative proceedings; credentialed employees and applicants; and interested persons who elect to petition the Authority for the promulgation, amendment, or repeal of a rule. The Authority has not identified mandatory recurring compliance costs imposed upon these classes by the proposed amendments.

5. DESCRIPTION OF PERSONS BENEFITTING, VALUE OF BENEFIT AND EXPECTED HEALTH OUTCOMES:

All parties subject to administrative proceedings and interested persons seeking agency rulemaking may benefit from clearer and more consistently defined administrative procedures. 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. Because the proposed amendments primarily govern administrative procedure rather than substantive public-health standards, OMMA has not identified a quantifiable monetary value or specific health outcome attributable to these amendments.

6. 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 SHOULD 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 without affecting the agency's full-time-employee count or the state economy. Proposed rules allowing electronic certified mail will save the Authority approximately $2.75 per letter, resulting in estimated annual savings of approximately $30,000.

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

The proposed rules are primarily procedural in nature and do not establish or modify substantive business obligations or fees. The Authority reviewed the proposed amendments to determine whether they create new fees, equipment requirements, reporting obligations, staffing needs, or other implementation or compliance costs. The Authority determined that implementation will not require additional expenditures by licensees, state or local governments, or individuals. Based on the Authority's current mailing volume and the approximately $2.75 per-letter savings associated with electronic certified mail, OMMA estimates annual agency savings of approximately $30,000.

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

The Authority has not identified an economic impact on counties, municipalities, school districts,

or other political subdivisions attributable to the proposed amendments. The amendments do not assign implementation or enforcement responsibilities to political subdivisions, and OMMA has not identified a need for their cooperation to implement or enforce the proposed rules.

9. ADVERSE EFFECT ON SMALL BUSINESS:

The Authority has not identified an adverse economic effect on small businesses attributable to the proposed amendments. The amendments primarily govern administrative processes and do not establish additional fees or recurring operational requirements based on business size.

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

The Authority has sought to limit the proposed amendments to procedures necessary to administer applicable statutory requirements and Authority proceedings and has not proposed new fees or recurring operational requirements as part of these amendments. In developing the proposed rules, the Authority considered whether the procedural objectives could be accomplished without imposing additional mandatory expenditures on regulated entities or individuals.

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

The proposed amendments primarily address administrative procedure and are not designed to establish or modify substantive public-health, safety, or environmental standards. Clear procedures for administrative proceedings may support the Authority's administration and enforcement of the medical marijuana program; however, OMMA has not identified a specific significant public-health, safety, or environmental risk that these procedural amendments are designed to reduce or a quantifiable reduction in such risk attributable to the amendments.

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

If the proposed amendments are not adopted, the additional procedures and clarifications contained in the amendments would not be incorporated into the Authority's administrative code. In particular, OMMA would not have the proposed codified procedures in OAC 442:1-1-14.1 governing petitions submitted pursuant to 75 O.S. § 305. Because the proposed rules primarily concern administrative procedure, OMMA has not identified a specific quantifiable detrimental effect on public health, safety, or the environment that would result from nonadoption.

13. ANALYSIS OF ALTERNATIVES TO ADOPTING THE RULE:

Alternatives considered include continuing to rely on existing statutory requirements and administrative practices without adopting the proposed additional procedures; addressing procedural matters on a case-by-case basis; or adopting narrower procedural provisions. With respect to petitions for rulemaking, 75 O.S. § 305 requires each agency to prescribe by rule the form and procedure for such petitions, making continued reliance solely on informal practice an

inadequate alternative for implementing that statutory requirement. The proposed amendments provide codified procedures intended to promote consistency and transparency in the Authority's administrative processes.

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

Development of the proposed emergency rules required only the time of existing Agency personnel acting within the scope of their regular duties. No additional personnel, outside consultants, or other resources were required to develop the proposed rules.

15. 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:

OMMA has not identified an existing or proposed federal regulation that establishes administrative procedures governing Oklahoma medical marijuana licensing proceedings, employee credential appeals, or petitions requesting OMMA to promulgate, amend, or repeal an Oklahoma administrative rule. The proposed amendments implement or clarify administrative processes arising under Oklahoma law, including the Oklahoma Administrative Procedures Act.

16. PREPARATION AND MODIFICATION DATES:

This rule impact statement was prepared on September 16, 2026.