

1 **SENATE FLOOR VERSION**

2 April 14, 2022

3 **AS AMENDED**

4 ENGROSSED HOUSE
5 BILL NO. 3827

6 By: Dobrinski, Newton, Talley,
7 West (Josh) and Kendrix of
8 the House

9 and

10 Murdock of the Senate

11 **[medical marijuana - commercial grower licenses -
12 register as an environmentally sensitive crop owner -
13 effective date]**

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

15 SECTION 1. AMENDATORY 63 O.S. 2021, Section 422, is
16 amended to read as follows:

17 Section 422. A. The State Department of Health shall, within
18 thirty (30) days of passage of this initiative, make available on
19 its website in an easy-to-find location an application for a
20 commercial grower license. The application fee shall be Two
21 Thousand Five Hundred Dollars (\$2,500.00). A method of payment
22 shall be provided on the website of the Department. The State
23 Department of Health shall have ninety (90) days to review the
24 application; approve, reject or deny the application; and mail the
approval, rejection or denial letter stating the reasons for the
rejection or denial to the applicant.

1 B. The State Department of Health shall approve all
2 applications which meet the following criteria:

3 1. The applicant must be twenty-five (25) years of age or
4 older;

5 2. The applicant, if applying as an individual, must show
6 residency in the State of Oklahoma;

7 3. All applying entities must show that all members, managers,
8 and board members are Oklahoma residents;

9 4. An applying entity may show ownership of non-Oklahoma
10 residents, but that percentage ownership may not exceed twenty-five
11 percent (25%);

12 5. All applying individuals or entities must be registered to
13 conduct business in the State of Oklahoma; and

14 6. All applicants must disclose all ownership interests in the
15 commercial grower operation.

16 Applicants with a nonviolent felony conviction in the last two
17 (2) years, any other felony conviction in the last five (5) years,
18 inmates in the custody of the Department of Corrections or any
19 person currently incarcerated shall not qualify for a commercial
20 grower license.

21 C. A licensed commercial grower may sell marijuana to a
22 licensed dispensary or a licensed processor. Further, sales by a
23 licensed commercial grower shall be considered wholesale sales and
24 shall not be subject to taxation. Under no circumstances may a

1 licensed commercial grower sell marijuana directly to a licensed
2 medical marijuana patient or licensed caregiver. A licensed
3 commercial grower may only sell at the wholesale level to a licensed
4 dispensary, a licensed grower or a licensed processor. If the
5 federal government lifts restrictions on buying and selling
6 marijuana between states, then a licensed commercial grower would be
7 allowed to sell and buy marijuana wholesale from, or to, an out-of-
8 state wholesale provider. A licensed commercial grower shall be
9 required to complete a monthly yield and sales report to the State
10 Department of Health. This report shall be due on the fifteenth of
11 each month and provide reporting on the previous month. This report
12 shall detail the amount of marijuana harvested in pounds, the amount
13 of drying or dried marijuana on hand, the amount of marijuana sold
14 to licensed processors in pounds, the amount of waste in pounds, and
15 the amount of marijuana sold to licensed dispensaries in pounds.
16 Additionally, this report shall show total wholesale sales in
17 dollars. The State Department of Health shall have oversight and
18 auditing responsibilities to ensure that all marijuana being grown
19 by licensed commercial growers is accounted for.

20 D. There shall be no limits on how much marijuana a licensed
21 commercial grower can grow.

22 E. Beginning on the effective date of this act, licensed
23 commercial growers shall be authorized to package and sell pre-
24 rolled marijuana to licensed medical marijuana dispensaries. The

1 products described in this subsection shall contain only the ground
2 parts of the marijuana plant and shall not include marijuana
3 concentrates or derivatives. The total net weight of each pre-roll
4 packaged and sold by medical marijuana commercial growers shall not
5 exceed one (1) gram. These products must be tested, packaged and
6 labeled in accordance with Oklahoma law and rules promulgated by the
7 State Commissioner of Health.

8 F. Beginning November 1, 2022, all medical marijuana commercial
9 grower licensees who operate an outdoor medical marijuana production
10 facility shall be required to register with the Oklahoma Department
11 of Agriculture, Food, and Forestry as an environmentally sensitive
12 crop owner. Registration shall provide notice to commercial and
13 private pesticide applicators of the locations of medical marijuana
14 crops and help minimize the potential for damaging pesticide drift.
15 Medical marijuana commercial grower licensees shall provide their
16 business name, address, Global Positioning System (GPS) coordinates
17 for all outdoor medical marijuana production facilities, and any
18 other information required by the Department when registering with
19 the Environmentally Sensitive Area Registry.

20 SECTION 2. This act shall become effective November 1, 2022.

21 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS, COMMERCE AND TOURISM
22 April 14, 2022 - DO PASS AS AMENDED
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