

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 58th Legislature (2021)

4 ENGROSSED SENATE  
5 BILL NO. 460

By: Paxton and Bergstrom of the  
Senate

6 and

7 Fetgatter of the House  
8  
9

10 An Act relating to industrial hemp; amending Section  
11 4, Chapter 64, O.S.L. 2018, as amended by Section 5,  
12 Chapter 91, O.S.L. 2019 and Section 7, Chapter 64,  
13 O.S.L. 2018, as amended by Section 7, Chapter 91,  
14 O.S.L. 2019 (2 O.S. Supp. 2020, Sections 3-404 and 3-  
15 407), which relate to licenses and inspection of  
16 industrial hemp growth; modifying language; including  
17 United States Department of Agriculture Farm Service  
18 Agency; authorizing remediation of industrial hemp  
19 under certain conditions; deleting language;  
20 providing for codification; providing an effective  
21 date; and declaring an emergency.

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

23 SECTION 1. AMENDATORY Section 4, Chapter 64, O.S.L.  
24 2018, as amended by Section 5, Chapter 91, O.S.L. 2019 (2 O.S. Supp.  
2020, Section 3-404), is amended to read as follows:

Section 3-404. A. A person intending to engage in industrial  
hemp growth, cultivation, handling or processing authorized under  
the Oklahoma Industrial Hemp Program shall apply to the Oklahoma

1 Department of Agriculture, Food, and Forestry for a license prior to  
2 planting, handling or processing the industrial hemp.

3 1. The application shall include:

4 a. the name and address of the applicant,

5 b. the legal description, global positioning system  
6 location, and map of the land area on which the  
7 applicant will engage in industrial hemp growth and  
8 cultivation operations, handling operations or  
9 processing operations, and

10 c. a statement of intended end use.

11 2. By submitting an application, the applicant acknowledges and  
12 agrees that:

13 a. information provided to the Department may be provided  
14 to law enforcement agencies,

15 b. the applicant shall allow and fully cooperate with any  
16 inspection and sampling that the Department deems  
17 necessary,

18 c. the applicant will submit all required reports by the  
19 applicable due dates specified by the Department, and

20 d. the applicant has the legal right to cultivate, handle  
21 or process industrial hemp on the registered land area  
22 and shall grant the Department access for inspection  
23 and sampling.

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1 B. The Department shall collect a nonrefundable fee from the  
2 applicant at the time of application. The Department shall set a  
3 fee schedule based on the size and use of the land area on which the  
4 licensee will conduct industrial hemp growing or cultivation  
5 operations and shall set the fee at a level sufficient to generate  
6 the amount of monies necessary to cover the Department's direct  
7 costs in implementing the Oklahoma Industrial Hemp Program. Denied  
8 applications for a license may be resubmitted within a twelve-month  
9 period. The Department may waive the fee for resubmitted  
10 applications.

11 C. A license issued pursuant to this section is valid for one  
12 (1) year. In order to continue engaging in industrial hemp growth  
13 and cultivation operations in Oklahoma, the licensee shall annually  
14 apply for a license in accordance with subsection A of this section.  
15 The Department may set a separate fee schedule for renewal of  
16 existing licenses in good standing.

17 D. All industrial hemp plant material shall be planted, grown  
18 and harvested under a valid license. Any plant material that is not  
19 harvested in the license period in which it was planted or volunteer  
20 plants that are not destroyed must be declared for inclusion in a  
21 subsequent license.

22 E. If the licensee wishes to alter the land area on which the  
23 licensee will conduct industrial hemp growth, cultivation, handling  
24 or processing operations within thirty (30) days of any new license,

1 before altering the area, the licensee shall submit to the  
2 Department and the United States Department of Agriculture Farm  
3 Service Agency an updated legal description, global positioning  
4 system location, and map specifying the proposed alterations.

5 F. Each licensee shall report any changes to information  
6 provided in the license application within ten (10) days of such  
7 change to the Department and the United States Department of  
8 Agriculture Farm Service Agency.

9 G. A licensee shall maintain all records pertaining to the  
10 license and growing records for a minimum of three (3) years.

11 H. The Department shall promulgate rules necessary to implement  
12 the licensing program and to implement the Oklahoma Industrial Hemp  
13 Program.

14 I. The Department shall promulgate rules to facilitate  
15 transportation of industrial hemp.

16 SECTION 2. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 3-406.1 of Title 2, unless there  
18 is created a duplication in numbering, reads as follows:

19 An industrial hemp processor licensee may remediate any  
20 industrial hemp legally grown pursuant to the Oklahoma Department of  
21 Agriculture, Food, and Forestry and the United States Department of  
22 Agriculture programs so long as all THC is removed and it is  
23 processed as Cannabidiol (CBD).

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1 SECTION 3. AMENDATORY Section 7, Chapter 64, O.S.L.  
2 2018, as amended by Section 7, Chapter 91, O.S.L. 2019 (2 O.S. Supp.  
3 2020, Section 3-407), is amended to read as follows:

4 Section 3-407. A. Any plants of the licensee are subject to at  
5 least annual routine inspections and sampling to verify that the  
6 plant meets the definition of industrial hemp. The Department shall  
7 notify each licensee of the scope of the inspection and the process  
8 by which the inspection will be conducted. The Department shall  
9 promulgate rules regarding the procedures of inspection and  
10 sampling.

11 B. The Department may inspect and take samples from any  
12 licensee's plants during normal business hours.

13 C. Licenses for handling or processing shall be subject to at  
14 least annual inspections in addition to compliance inspections.

15 D. The Department shall ~~make a good faith attempt to~~ have the  
16 licensee present at the time of inspection and sampling. The  
17 licensee or authorized representative shall provide the Department's  
18 inspector with complete and unrestricted access to all plants, parts  
19 and seeds, whether growing or harvested, and all land, buildings and  
20 other structures used for the growth, cultivation, harvesting,  
21 storage, handling or processing of industrial hemp, and all  
22 documents and records pertaining to the licensee's industrial hemp-  
23 growing, cultivation operation, handling and processing.

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1 E. The licensee shall pay for any inspection and laboratory  
2 analysis costs that the Department deems necessary within thirty  
3 (30) days of the date of the receipt of an invoice for the costs.  
4 The Department shall waive all inspection or sampling costs if no  
5 inconsistencies or violations are identified during an inspection  
6 that is not part of the regular annual inspection process.

7 F. The Department shall promulgate rules to establish a process  
8 by which a licensee may contest the procedures, protocols and  
9 results or findings of the inspection.

10 SECTION 4. This act shall become effective July 1, 2021.

11 SECTION 5. It being immediately necessary for the preservation  
12 of the public peace, health or safety, an emergency is hereby  
13 declared to exist, by reason whereof this act shall take effect and  
14 be in full force from and after its passage and approval.

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16 COMMITTEE REPORT BY: COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT,  
17 dated 03/31/2021 - DO PASS.

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