

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 58th Legislature (2022)

4 HOUSE BILL 3827

 By: Dobrinski, **Newton**, and
 Talley

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7 AS INTRODUCED

8 An Act relating to medical marijuana; amending 63
9 O.S. 2021, Section 422, which relates to medical
10 marijuana commercial grower licenses; requiring all
11 medical marijuana commercial grower licensees to
12 register as an environmentally sensitive crop owner;
 directing medical marijuana commercial grower
 licensees to provide certain information when
 registering; and providing an effective date.

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

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

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

1 application; approve, reject or deny the application; and mail the
2 approval, rejection or denial letter stating the reasons for the
3 rejection or denial to the applicant.

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

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

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

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

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

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

17 6. All applicants must disclose all ownership interests in the
18 commercial grower operation.

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

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1 C. A licensed commercial grower may sell marijuana to a
2 licensed dispensary or a licensed processor. Further, sales by a
3 licensed commercial grower shall be considered wholesale sales and
4 shall not be subject to taxation. Under no circumstances may a
5 licensed commercial grower sell marijuana directly to a licensed
6 medical marijuana patient or licensed caregiver. A licensed
7 commercial grower may only sell at the wholesale level to a licensed
8 dispensary, a licensed grower or a licensed processor. If the
9 federal government lifts restrictions on buying and selling
10 marijuana between states, then a licensed commercial grower would be
11 allowed to sell and buy marijuana wholesale from, or to, an out-of-
12 state wholesale provider. A licensed commercial grower shall be
13 required to complete a monthly yield and sales report to the State
14 Department of Health. This report shall be due on the fifteenth of
15 each month and provide reporting on the previous month. This report
16 shall detail the amount of marijuana harvested in pounds, the amount
17 of drying or dried marijuana on hand, the amount of marijuana sold
18 to licensed processors in pounds, the amount of waste in pounds, and
19 the amount of marijuana sold to licensed dispensaries in pounds.
20 Additionally, this report shall show total wholesale sales in
21 dollars. The State Department of Health shall have oversight and
22 auditing responsibilities to ensure that all marijuana being grown
23 by licensed commercial growers is accounted for.

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

3 E. Beginning on the effective date of this act, licensed
4 commercial growers shall be authorized to package and sell pre-
5 rolled marijuana to licensed medical marijuana dispensaries. The
6 products described in this subsection shall contain only the ground
7 parts of the marijuana plant and shall not include marijuana
8 concentrates or derivatives. The total net weight of each pre-roll
9 packaged and sold by medical marijuana commercial growers shall not
10 exceed one (1) gram. These products must be tested, packaged and
11 labeled in accordance with Oklahoma law and rules promulgated by the
12 State Commissioner of Health.

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

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

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3 COMMITTEE REPORT BY: COMMITTEE ON ALCOHOL, TOBACCO AND CONTROLLED
4 SUBSTANCES, dated 03/03/2022 - DO PASS, As Coauthored.
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