

STATE OF OKLAHOMA

2nd Session of the 56th Legislature (2018)

COMMITTEE SUBSTITUTE

FOR

SENATE BILL 1185

By: Paxton

COMMITTEE SUBSTITUTE

An Act relating to industrial hemp; amending 63 O.S. 2011, Section 2-101, as last amended by Section 1, Chapter 43, O.S.L. 2017 (63 O.S. Supp. 2017, Section 2-101), which relates to the Uniform Controlled Dangerous Substances Act; amending definition; creating the Oklahoma Industrial Hemp Agricultural Pilot Program; defining terms; authorizing a licensee to engage in the growth and cultivation of industrial hemp for certain purposes; limiting liability; requiring application to the Oklahoma Department of Agriculture, Food, and Forestry; providing application content requirements; providing certain acknowledgements and agreements upon application submission; requiring certain application fee; directing the Department to establish certain fee schedule; providing length of valid license; providing license renewal process; requiring activities be done with a valid license; requiring certain plants not harvested or destroyed be declared; requiring submission of information for certain land alterations or changes to information; directing the Department to promulgate rules; directing the Department to establish a Certified Seed Program; allowing certain varieties of industrial hemp be approved; requiring the Department to maintain a list of certified seeds; requiring a harvest report; providing for routine inspection and sampling of plants of the licensee with certain notice; providing for additional inspection and sampling under certain conditions and circumstances; providing inspection procedure requirements; requiring the licensee to pay for inspection and lab analysis with exception; directing the Department to

1 promulgate rules; authorizing denial, revocation or
2 suspension of license under certain circumstances;
3 prohibiting penalty for certain sample testing
4 levels; directing the Department to study certain
5 funding possibilities; creating revolving fund;
6 authorizing expenditures of funds under certain
7 conditions; providing for codification; and providing
8 an effective date.

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

10 SECTION 1. AMENDATORY 63 O.S. 2011, Section 2-101, as
11 last amended by Section 1, Chapter 43, O.S.L. 2017 (63 O.S. Supp.
12 2017, Section 2-101), is amended to read as follows:

13 Section 2-101. As used in the Uniform Controlled Dangerous
14 Substances Act:

15 1. "Administer" means the direct application of a controlled
16 dangerous substance, whether by injection, inhalation, ingestion or
17 any other means, to the body of a patient, animal or research
18 subject by:

19 a. a practitioner (or, in the presence of the
20 practitioner, by the authorized agent of the
21 practitioner), or

22 b. the patient or research subject at the direction and
23 in the presence of the practitioner;

24 2. "Agent" means a peace officer appointed by and who acts on
behalf of the Director of the Oklahoma State Bureau of Narcotics and
Dangerous Drugs Control or an authorized person who acts on behalf

1 of or at the direction of a person who manufactures, distributes,
2 dispenses, prescribes, administers or uses for scientific purposes
3 controlled dangerous substances but does not include a common or
4 contract carrier, public warehouse or employee thereof, or a person
5 required to register under the Uniform Controlled Dangerous
6 Substances Act;

7 3. "Board" means the Advisory Board to the Director of the
8 Oklahoma State Bureau of Narcotics and Dangerous Drugs Control;

9 4. "Bureau" means the Oklahoma State Bureau of Narcotics and
10 Dangerous Drugs Control;

11 5. "Coca leaves" includes cocaine and any compound,
12 manufacture, salt, derivative, mixture or preparation of coca
13 leaves, except derivatives of coca leaves which do not contain
14 cocaine or ecgonine;

15 6. "Commissioner" or "Director" means the Director of the
16 Oklahoma State Bureau of Narcotics and Dangerous Drugs Control;

17 7. "Control" means to add, remove or change the placement of a
18 drug, substance or immediate precursor under the Uniform Controlled
19 Dangerous Substances Act;

20 8. "Controlled dangerous substance" means a drug, substance or
21 immediate precursor in Schedules I through V of the Uniform
22 Controlled Dangerous Substances Act or any drug, substance or
23 immediate precursor listed either temporarily or permanently as a
24 federally controlled substance. Any conflict between state and

1 federal law with regard to the particular schedule in which a
2 substance is listed shall be resolved in favor of state law;

3 9. "Counterfeit substance" means a controlled substance which,
4 or the container or labeling of which without authorization, bears
5 the trademark, trade name or other identifying marks, imprint,
6 number or device or any likeness thereof of a manufacturer,
7 distributor or dispenser other than the person who in fact
8 manufactured, distributed or dispensed the substance;

9 10. "Deliver" or "delivery" means the actual, constructive or
10 attempted transfer from one person to another of a controlled
11 dangerous substance or drug paraphernalia, whether or not there is
12 an agency relationship;

13 11. "Dispense" means to deliver a controlled dangerous
14 substance to an ultimate user or human research subject by or
15 pursuant to the lawful order of a practitioner, including the
16 prescribing, administering, packaging, labeling or compounding
17 necessary to prepare the substance for such distribution.

18 "Dispenser" is a practitioner who delivers a controlled dangerous
19 substance to an ultimate user or human research subject;

20 12. "Distribute" means to deliver other than by administering
21 or dispensing a controlled dangerous substance;

22 13. "Distributor" means a commercial entity engaged in the
23 distribution or reverse distribution of narcotics and dangerous
24 drugs and who complies with all regulations promulgated by the

1 federal Drug Enforcement Administration and the Oklahoma State
2 Bureau of Narcotics and Dangerous Drugs Control;

3 14. "Drug" means articles:

- 4 a. recognized in the official United States
5 Pharmacopoeia, official Homeopathic Pharmacopoeia of
6 the United States, or official National Formulary, or
7 any supplement to any of them,
- 8 b. intended for use in the diagnosis, cure, mitigation,
9 treatment or prevention of disease in man or other
10 animals,
- 11 c. other than food, intended to affect the structure or
12 any function of the body of man or other animals, and
- 13 d. intended for use as a component of any article
14 specified in this paragraph;

15 provided, however, the term "drug" does not include devices or their
16 components, parts or accessories;

17 15. "Drug-dependent person" means a person who is using a
18 controlled dangerous substance and who is in a state of psychic or
19 physical dependence, or both, arising from administration of that
20 controlled dangerous substance on a continuous basis. Drug
21 dependence is characterized by behavioral and other responses which
22 include a strong compulsion to take the substance on a continuous
23 basis in order to experience its psychic effects, or to avoid the
24 discomfort of its absence;

1 16. "Home care agency" means any sole proprietorship,
2 partnership, association, corporation, or other organization which
3 administers, offers, or provides home care services, for a fee or
4 pursuant to a contract for such services, to clients in their place
5 of residence;

6 17. "Home care services" means skilled or personal care
7 services provided to clients in their place of residence for a fee;

8 18. "Hospice" means a centrally administered, nonprofit or
9 profit, medically directed, nurse-coordinated program which provides
10 a continuum of home and inpatient care for the terminally ill
11 patient and the patient's family. Such term shall also include a
12 centrally administered, nonprofit or profit, medically directed,
13 nurse-coordinated program if such program is licensed pursuant to
14 the provisions of this act. A hospice program offers palliative and
15 supportive care to meet the special needs arising out of the
16 physical, emotional and spiritual stresses which are experienced
17 during the final stages of illness and during dying and bereavement.
18 This care is available twenty-four (24) hours a day, seven (7) days
19 a week, and is provided on the basis of need, regardless of ability
20 to pay. "Class A" Hospice refers to Medicare certified hospices.
21 "Class B" refers to all other providers of hospice services;

22 19. "Imitation controlled substance" means a substance that is
23 not a controlled dangerous substance, which by dosage unit
24 appearance, color, shape, size, markings or by representations made,

1 would lead a reasonable person to believe that the substance is a
2 controlled dangerous substance. In the event the appearance of the
3 dosage unit is not reasonably sufficient to establish that the
4 substance is an "imitation controlled substance", the court or
5 authority concerned should consider, in addition to all other
6 factors, the following factors as related to "representations made"
7 in determining whether the substance is an "imitation controlled
8 substance":

- 9 a. statements made by an owner or by any other person in
10 control of the substance concerning the nature of the
11 substance, or its use or effect,
- 12 b. statements made to the recipient that the substance
13 may be resold for inordinate profit,
- 14 c. whether the substance is packaged in a manner normally
15 used for illicit controlled substances,
- 16 d. evasive tactics or actions utilized by the owner or
17 person in control of the substance to avoid detection
18 by law enforcement authorities,
- 19 e. prior convictions, if any, of an owner, or any other
20 person in control of the object, under state or
21 federal law related to controlled substances or fraud,
22 and
- 23 f. the proximity of the substances to controlled
24 dangerous substances;

1 20. "Immediate precursor" means a substance which the Director
2 has found to be and by regulation designates as being the principal
3 compound commonly used or produced primarily for use, and which is
4 an immediate chemical intermediary used, or likely to be used, in
5 the manufacture of a controlled dangerous substance, the control of
6 which is necessary to prevent, curtail or limit such manufacture;

7 21. "Laboratory" means a laboratory approved by the Director as
8 proper to be entrusted with the custody of controlled dangerous
9 substances and the use of controlled dangerous substances for
10 scientific and medical purposes and for purposes of instruction;

11 22. "Manufacture" means the production, preparation,
12 propagation, compounding or processing of a controlled dangerous
13 substance, either directly or indirectly by extraction from
14 substances of natural or synthetic origin, or independently by means
15 of chemical synthesis or by a combination of extraction and chemical
16 synthesis. "Manufacturer" includes any person who packages,
17 repackages or labels any container of any controlled dangerous
18 substance, except practitioners who dispense or compound
19 prescription orders for delivery to the ultimate consumer;

20 23. "Marihuana" means all parts of the plant Cannabis sativa
21 L., whether growing or not; the seeds thereof; the resin extracted
22 from any part of such plant; and every compound, manufacture, salt,
23 derivative, mixture or preparation of such plant, its seeds or
24 resin, but shall not include:

- a. the mature stalks of such plant or fiber produced from such stalks,
- b. oil or cake made from the seeds of such plant, including cannabidiol derived from the seeds of the marihuana plant,
- c. any other compound, manufacture, salt, derivative, mixture or preparation of such mature stalks (except the resin extracted therefrom), including cannabidiol derived from mature stalks, fiber, oil or cake,
- d. the sterilized seed of such plant which is incapable of germination,
- e. for any person participating in a clinical trial to administer cannabidiol for the treatment of severe forms of epilepsy pursuant to Section 2-802 of this title, a drug or substance approved by the federal Food and Drug Administration for use by those participants,
- f. for any person or the parents, legal guardians or caretakers of the person who have received a written certification from a physician licensed in this state that the person has been diagnosed by a physician as having Lennox-Gastaut Syndrome, Dravet Syndrome, also known as Severe Myoclonic Epilepsy of Infancy, or any other severe form of epilepsy that is not adequately

1 treated by traditional medical therapies, spasticity
2 due to multiple sclerosis or due to paraplegia,
3 intractable nausea and vomiting, appetite stimulation
4 with chronic wasting diseases, the substance
5 cannabidiol, a nonpsychoactive cannabinoid, found in
6 the plant Cannabis sativa L. or any other preparation
7 thereof, that has a tetrahydrocannabinol concentration
8 of not more than three-tenths of one percent (0.3%)
9 and that is delivered to the patient in the form of a
10 liquid,

11 g. any federal Food and Drug Administration-approved
12 cannabidiol drug or substance, or

13 h. industrial hemp, from the plant Cannabis sativa L. and
14 any part of such plant, whether growing or not, with a
15 delta-9 tetrahydrocannabinol concentration of not more
16 than three-tenths of one percent (0.3%) on a dry
17 weight basis which shall ~~not only~~ be grown ~~anywhere in~~
18 ~~the State of Oklahoma but~~ pursuant to the Oklahoma
19 Industrial Hemp Agricultural Pilot Program and may be
20 shipped to Oklahoma pursuant to the provisions of
21 subparagraph e or f of this paragraph;

22 24. "Medical purpose" means an intention to utilize a
23 controlled dangerous substance for physical or mental treatment, for
24 diagnosis, or for the prevention of a disease condition not in

1 violation of any state or federal law and not for the purpose of
2 satisfying physiological or psychological dependence or other abuse;

3 25. "Mid-level practitioner" means an advanced practice nurse
4 as defined and within parameters specified in Section 567.3a of
5 Title 59 of the Oklahoma Statutes, or a certified animal euthanasia
6 technician as defined in Section 698.2 of Title 59 of the Oklahoma
7 Statutes, or an animal control officer registered by the Oklahoma
8 State Bureau of Narcotics and Dangerous Drugs Control under
9 subsection B of Section 2-301 of this title within the parameters of
10 such officer's duty under Sections 501 through 508 of Title 4 of the
11 Oklahoma Statutes;

12 26. "Narcotic drug" means any of the following, whether
13 produced directly or indirectly by extraction from substances of
14 vegetable origin, or independently by means of chemical synthesis,
15 or by a combination of extraction and chemical synthesis:

- 16 a. opium, coca leaves and opiates,
- 17 b. a compound, manufacture, salt, derivative or
18 preparation of opium, coca leaves or opiates,
- 19 c. cocaine, its salts, optical and geometric isomers, and
20 salts of isomers,
- 21 d. ecgonine, its derivatives, their salts, isomers and
22 salts of isomers, and
- 23 e. a substance, and any compound, manufacture, salt,
24 derivative or preparation thereof, which is chemically

1 identical with any of the substances referred to in
2 subparagraphs a through d of this paragraph, except
3 that the words "narcotic drug" as used in Section 2-
4 101 et seq. of this title shall not include
5 decocainized coca leaves or extracts of coca leaves,
6 which extracts do not contain cocaine or ecgonine;

7 27. "Opiate" means any substance having an addiction-forming or
8 addiction-sustaining liability similar to morphine or being capable
9 of conversion into a drug having such addiction-forming or
10 addiction-sustaining liability. It does not include, unless
11 specifically designated as controlled under the Uniform Controlled
12 Dangerous Substances Act, the dextrorotatory isomer of 3-methoxy-n-
13 methyl-morphinan and its salts (dextromethorphan). It does include
14 its racemic and levorotatory forms;

15 28. "Opium poppy" means the plant of the species *Papaver*
16 *somniferum* L., except the seeds thereof;

17 29. "Peace officer" means a police officer, sheriff, deputy
18 sheriff, district attorney's investigator, investigator from the
19 Office of the Attorney General, or any other person elected or
20 appointed by law to enforce any of the criminal laws of this state
21 or of the United States;

22 30. "Person" means an individual, corporation, government or
23 governmental subdivision or agency, business trust, estate, trust,
24 partnership or association, or any other legal entity;

1 31. "Poppy straw" means all parts, except the seeds, of the
2 opium poppy, after mowing;

3 32. "Practitioner" means:

- 4 a. (1) a medical doctor or osteopathic physician,
5 (2) a dentist,
6 (3) a podiatrist,
7 (4) an optometrist,
8 (5) a veterinarian,
9 (6) a physician assistant under the supervision of a
10 licensed medical doctor or osteopathic physician,
11 (7) a scientific investigator, or
12 (8) any other person,
13 licensed, registered or otherwise permitted to
14 prescribe, distribute, dispense, conduct research with
15 respect to, use for scientific purposes or administer
16 a controlled dangerous substance in the course of
17 professional practice or research in this state, or
18 b. a pharmacy, hospital, laboratory or other institution
19 licensed, registered or otherwise permitted to
20 distribute, dispense, conduct research with respect
21 to, use for scientific purposes or administer a
22 controlled dangerous substance in the course of
23 professional practice or research in this state;

1 33. "Production" includes the manufacture, planting,
2 cultivation, growing or harvesting of a controlled dangerous
3 substance;

4 34. "State" means the State of Oklahoma or any other state of
5 the United States;

6 35. "Ultimate user" means a person who lawfully possesses a
7 controlled dangerous substance for the person's own use or for the
8 use of a member of the person's household or for administration to
9 an animal owned by the person or by a member of the person's
10 household;

11 36. "Drug paraphernalia" means all equipment, products and
12 materials of any kind which are used, intended for use, or fashioned
13 specifically for use in planting, propagating, cultivating, growing,
14 harvesting, manufacturing, compounding, converting, producing,
15 processing, preparing, testing, analyzing, packaging, repackaging,
16 storing, containing, concealing, injecting, ingesting, inhaling or
17 otherwise introducing into the human body, a controlled dangerous
18 substance in violation of the Uniform Controlled Dangerous
19 Substances Act including, but not limited to:

- 20 a. kits used, intended for use, or fashioned specifically
21 for use in planting, propagating, cultivating, growing
22 or harvesting of any species of plant which is a
23 controlled dangerous substance or from which a
24 controlled dangerous substance can be derived,

- b. kits used, intended for use, or fashioned specifically for use in manufacturing, compounding, converting, producing, processing or preparing controlled dangerous substances,
- c. isomerization devices used, intended for use, or fashioned specifically for use in increasing the potency of any species of plant which is a controlled dangerous substance,
- d. testing equipment used, intended for use, or fashioned specifically for use in identifying, or in analyzing the strength, effectiveness or purity of controlled dangerous substances,
- e. scales and balances used, intended for use, or fashioned specifically for use in weighing or measuring controlled dangerous substances,
- f. diluents and adulterants, such as quinine hydrochloride, mannitol, mannite, dextrose and lactose, used, intended for use, or fashioned specifically for use in cutting controlled dangerous substances,
- g. separation gins and sifters used, intended for use, or fashioned specifically for use in removing twigs and seeds from, or in otherwise cleaning or refining, marihuana,

- h. blenders, bowls, containers, spoons and mixing devices used, intended for use, or fashioned specifically for use in compounding controlled dangerous substances,
- i. capsules, balloons, envelopes and other containers used, intended for use, or fashioned specifically for use in packaging small quantities of controlled dangerous substances,
- j. containers and other objects used, intended for use, or fashioned specifically for use in parenterally injecting controlled dangerous substances into the human body,
- k. hypodermic syringes, needles and other objects used, intended for use, or fashioned specifically for use in parenterally injecting controlled dangerous substances into the human body,
- l. objects used, intended for use, or fashioned specifically for use in ingesting, inhaling or otherwise introducing marihuana, cocaine, hashish or hashish oil into the human body, such as:
 - (1) metal, wooden, acrylic, glass, stone, plastic or ceramic pipes with or without screens, permanent screens, hashish heads or punctured metal bowls,
 - (2) water pipes,
 - (3) carburetion tubes and devices,

- (4) smoking and carburetion masks,
- (5) roach clips, meaning objects used to hold burning material, such as a marihuana cigarette, that has become too small or too short to be held in the hand,
- (6) miniature cocaine spoons and cocaine vials,
- (7) chamber pipes,
- (8) carburetor pipes,
- (9) electric pipes,
- (10) air-driven pipes,
- (11) chillums,
- (12) bongs, or
- (13) ice pipes or chillers,
- m. all hidden or novelty pipes, and
- n. any pipe that has a tobacco bowl or chamber of less than one-half (1/2) inch in diameter in which there is any detectable residue of any controlled dangerous substance as defined in this section or any other substances not legal for possession or use;
- provided, however, the term "drug paraphernalia" shall not include separation gins intended for use in preparing tea or spice, clamps used for constructing electrical equipment, water pipes designed for ornamentation in which no detectable amount of an illegal substance is found or pipes designed and used solely for smoking tobacco,

1 traditional pipes of an American Indian tribal religious ceremony,
2 or antique pipes that are thirty (30) years of age or older;

3 37. a. "Synthetic controlled substance" means a substance:

4 (1) the chemical structure of which is substantially
5 similar to the chemical structure of a controlled
6 dangerous substance in Schedule I or II,

7 (2) which has a stimulant, depressant, or
8 hallucinogenic effect on the central nervous
9 system that is substantially similar to or
10 greater than the stimulant, depressant or
11 hallucinogenic effect on the central nervous
12 system of a controlled dangerous substance in
13 Schedule I or II, or

14 (3) with respect to a particular person, which such
15 person represents or intends to have a stimulant,
16 depressant, or hallucinogenic effect on the
17 central nervous system that is substantially
18 similar to or greater than the stimulant,
19 depressant, or hallucinogenic effect on the
20 central nervous system of a controlled dangerous
21 substance in Schedule I or II.

22 b. The designation of gamma butyrolactone or any other
23 chemical as a precursor, pursuant to Section 2-322 of
24 this title, does not preclude a finding pursuant to

1 subparagraph a of this paragraph that the chemical is
2 a synthetic controlled substance.

3 c. "Synthetic controlled substance" does not include:

- 4 (1) a controlled dangerous substance,
5 (2) any substance for which there is an approved new
6 drug application,
7 (3) with respect to a particular person any
8 substance, if an exemption is in effect for
9 investigational use, for that person under the
10 provisions of Section 505 of the Federal Food,
11 Drug and Cosmetic Act, Title 21 of the United
12 States Code, Section 355, to the extent conduct
13 with respect to such substance is pursuant to
14 such exemption, or
15 (4) any substance to the extent not intended for
16 human consumption before such an exemption takes
17 effect with respect to that substance.

18 d. Prima facie evidence that a substance containing
19 salvia divinorum has been enhanced, concentrated or
20 chemically or physically altered shall give rise to a
21 rebuttable presumption that the substance is a
22 synthetic controlled substance;
23
24

1 38. "Tetrahydrocannabinols" means all substances that have been
2 chemically synthesized to emulate the tetrahydrocannabinols of
3 marihuana;

4 39. "Isomer" means the optical isomer, except as used in
5 subsections C and F of Section 2-204 of this title and paragraph 4
6 of subsection A of Section 2-206 of this title. As used in
7 subsections C and F of Section 2-204 of this title, "isomer" means
8 the optical, positional or geometric isomer. As used in paragraph 4
9 of subsection A of Section 2-206 of this title, the term "isomer"
10 means the optical or geometric isomer;

11 40. "Hazardous materials" means materials, whether solid,
12 liquid or gas, which are toxic to human, animal, aquatic or plant
13 life, and the disposal of which materials is controlled by state or
14 federal guidelines; and

15 41. "Anhydrous ammonia" means any substance that exhibits
16 cryogenic evaporative behavior and tests positive for ammonia.

17 SECTION 2. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 3-401 of Title 2, unless there
19 is created a duplication in numbering, reads as follows:

20 This act shall be known and may be cited as the "Oklahoma
21 Industrial Hemp Agricultural Pilot Program".

22 SECTION 3. NEW LAW A new section of law to be codified
23 in the Oklahoma Statutes as Section 3-402 of Title 2, unless there
24 is created a duplication in numbering, reads as follows:

1 As used in the Oklahoma Industrial Hemp Agricultural Pilot
2 Program:

3 1. "Certified seed" means industrial hemp seed that has been
4 certified by the Oklahoma Department of Agriculture, Food, and
5 Forestry as having no more than three-tenths of one percent (0.3%)
6 delta-9 tetrahydrocannabinol concentration on a dry-weight basis;

7 2. "Department" means the Oklahoma Department of Agriculture,
8 Food, and Forestry;

9 3. "Industrial hemp" means the plant *Cannabis sativa* L. and any
10 part of the plant, whether growing or not, with a delta-9
11 tetrahydrocannabinol concentration of not more than three-tenths of
12 one percent (0.3%) on a dry weight basis;

13 4. "License" means authorization by the Department for any
14 university or college in Oklahoma to grow and cultivate industrial
15 hemp on a registered land area for research and development purposes
16 as part of the Oklahoma Industrial Hemp Agricultural Pilot Program;
17 and

18 5. "Licensee" means a university or college located in Oklahoma
19 which holds a valid license to grow industrial hemp under the
20 Oklahoma Industrial Hemp Agricultural Pilot Program. Nothing in the
21 Oklahoma Industrial Hemp Agricultural Pilot Program shall prevent
22 the licensee from adopting policies and procedures to subcontract
23 with persons or other legal entities to carry out the purposes of
24 the program; provided, that the Oklahoma Department of Agriculture,

1 Food, and Forestry will ensure subcontractors compliance with the
2 Program requirements.

3 SECTION 4. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 3-403 of Title 2, unless there
5 is created a duplication in numbering, reads as follows:

6 A. A licensee is authorized to:

7 1. Engage in the growth and cultivation of industrial hemp from
8 certified seeds for agricultural plant research and development
9 purposes; and

10 2. Engage in the growth and cultivation of industrial hemp from
11 certified seeds for marketing development purposes.

12 B. The activities performed under the Oklahoma Industrial Hemp
13 Agricultural Pilot Program shall not subject the persons
14 participating in the program to criminal liability under the Uniform
15 Controlled Dangerous Substances Act. The exemption from criminal
16 liability provided for in this subsection is a limited exemption
17 that shall be strictly construed and shall not apply to an activity
18 that is not expressly permitted under the Oklahoma Industrial Hemp
19 Agricultural Pilot Program.

20 SECTION 5. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 3-404 of Title 2, unless there
22 is created a duplication in numbering, reads as follows:

23 A. A university or college located in Oklahoma wishing to
24 engage in industrial hemp growth and cultivation authorized under

1 the Oklahoma Industrial Hemp Agricultural Pilot Program shall apply
2 to the Oklahoma Department of Agriculture, Food, and Forestry for a
3 license prior to planting the industrial hemp.

4 1. The application shall include:

5 a. the name and address of the university or college,

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

10 c. a statement of intended end use, and

11 d. a statement that the licensee intends to plant only
12 certified seeds;

13 2. By submitting an application, the licensee acknowledges and
14 agrees that:

15 a. information provided to the Department may be provided
16 to law enforcement agencies,

17 b. the licensee and any entities contracting with the
18 licensee shall allow and fully cooperate with any
19 inspection and sampling that the Department deems
20 necessary,

21 c. the licensee will submit all required reports by the
22 applicable due-dates specified by the Department, and

23 d. the licensee has the legal right to cultivate
24 industrial hemp from certified seeds on the registered

1 land area and shall grant the Department access for
2 inspection and sampling.

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

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

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

1 E. If the licensee wishes to alter the land area on which the
2 licensee will conduct industrial hemp growth and cultivation
3 operations within thirty (30) days of any new license, before
4 altering the area, the licensee shall submit to the Department an
5 updated legal description, global positioning system location, and
6 map specifying the proposed alterations.

7 F. Each licensee shall report any changes to information
8 provided in the license application within ten (10) days of such
9 change to the Department.

10 G. The Department shall promulgate rules necessary to implement
11 the licensing program and to implement the Oklahoma Industrial Hemp
12 Agricultural Pilot Program.

13 SECTION 6. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 3-405 of Title 2, unless there
15 is created a duplication in numbering, reads as follows:

16 A. The Department shall establish a Certified Seed Program to
17 identify seeds that have been confirmed to produce industrial hemp.
18 In accordance with all federal state laws and regulations, the
19 Department may import seeds.

20 B. A variety of industrial hemp may be approved and certified
21 by the Department if it is tested and confirmed to produce mature
22 plants with a delta-9 tetrahydrocannabinol concentration of not more
23 than three-tenths of one percent (0.3%) on a dry weight basis.
24

1 C. The Department shall provide and maintain a list of
2 certified seeds to be used by licensees.

3 SECTION 7. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 3-406 of Title 2, unless there
5 is created a duplication in numbering, reads as follows:

6 A. At least thirty (30) days prior to harvest, each licensee
7 shall file a harvest report on a form approved by the Department
8 that includes:

9 1. A statement of intended disposition of its industrial hemp
10 crop;

11 2. The harvest date or dates, location and yield of each
12 variety cultivated within a licensed land area;

13 3. The documented environmental impacts and viability of each
14 variety; and

15 4. Research data that would assist the Department in future
16 commercialization of industrial hemp.

17 B. A licensee shall notify the Department immediately of any
18 changes in a reported harvest date by more than five (5) days.

19 SECTION 8. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 3-407 of Title 2, unless there
21 is created a duplication in numbering, reads as follows:

22 A. Any plants of the licensee are subject to routine inspection
23 and sampling to verify that the delta-9 tetrahydrocannabinol
24 concentration of the plants planted does not exceed three-tenths of

1 one percent (0.3%) on a dry weight basis. The Department shall
2 notify each licensee of the scope of the inspection and the process
3 by which the inspection will be conducted.

4 B. In addition to any routine inspection and sampling under
5 subsection A of this section, the Department may inspect and take
6 samples from any licensee's plants during normal business hours
7 without advance notice.

8 C. During an inspection and sampling, the Department shall make
9 a good faith attempt to have the licensee present at the time of
10 inspection and sampling. The licensee or authorized representative
11 shall provide the Department's inspector with complete and
12 unrestricted access to all plants, parts and seeds, whether growing
13 or harvested, and all land, buildings and other structures used for
14 the growth, cultivation, harvesting or storage of industrial hemp,
15 and all documents and records pertaining to the licensee's
16 industrial hemp-growing and cultivation operation.

17 D. The licensee shall pay for any inspection and laboratory
18 analysis costs that the Department deems necessary within thirty
19 (30) days of the date of the receipt of an invoice for the costs.
20 The Department shall waive all inspection or sampling costs if no
21 inconsistencies or violations are identified that are not part of
22 the routine inspection process.

1 E. The Department shall promulgate rules to establish a process
2 by which a licensee may contest the procedures, protocols and
3 results or findings of the inspection.

4 SECTION 9. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 3-408 of Title 2, unless there
6 is created a duplication in numbering, reads as follows:

7 A. The Department may deny, revoke or suspend a license if the
8 licensee:

9 1. Violates any provision of this Oklahoma Industrial Hemp
10 Agricultural Pilot Program or rules adopted pursuant to the program;

11 2. Engages in fraud or deception in the procurement of or
12 attempt to procure a license under this Oklahoma Industrial Hemp
13 Agricultural Pilot Program or provides false information on a
14 license application;

15 3. Refuses or fails to cooperate and assist the Department with
16 the inspection process;

17 4. Refuses or fails to provide any information required or
18 requested by the Department for purposes of the Oklahoma Industrial
19 Hemp Agricultural Pilot Program;

20 5. Knowingly provides false, misleading or incorrect
21 information pertaining to the licensee's cultivation of industrial
22 hemp to the Department by any means, including in information
23 provided in any application form, report, record or inspection
24

1 required or maintained for purposes of the Oklahoma Industrial Hemp
2 Agricultural Pilot Program;

3 6. Fails to submit any report required by the Oklahoma
4 Industrial Hemp Agricultural Pilot Program; or

5 7. Fails to pay fees required by the Oklahoma Industrial Hemp
6 Agricultural Pilot Program.

7 B. If a sample of a licensee's industrial hemp tests higher
8 than three-tenths of one percent (0.3%) but less than one percent
9 (1%) delta-9 tetrahydrocannabinol concentration, the licensee shall
10 not be subject to any penalty under the Oklahoma Industrial Hemp
11 Agricultural Pilot Program if the crop is destroyed or utilized on
12 site in a manner approved of and verified by the Department.

13 SECTION 10. NEW LAW A new section of law to be codified
14 in the Oklahoma Statutes as Section 3-409 of Title 2, unless there
15 is created a duplication in numbering, reads as follows:

16 The Department shall study the feasibility of attracting federal
17 and private funding to implement the Oklahoma Industrial Hemp
18 Agricultural Pilot Program.

19 SECTION 11. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 3-410 of Title 2, unless there
21 is created a duplication in numbering, reads as follows:

22 There is hereby created in the State Treasury a revolving fund
23 for the State Board of Agriculture to be designated the "Oklahoma
24 Industrial Hemp Agricultural Pilot Program Fund". The fund shall be

1 a continuing fund, not subject to fiscal year limitations and shall
2 consist of all monies received by the State Board of Agriculture
3 from fees received and collected pursuant to the Oklahoma Industrial
4 Hemp Agricultural Pilot Program, donations, grants, contributions
5 and gifts from any public or private source. The Board may expend
6 funds for the purposes set forth in the Oklahoma Industrial Hemp
7 Agricultural Pilot Program. Expenditures from said fund shall be
8 made upon warrants issued by the State Treasurer against claims
9 filed as prescribed by law with the Director of the Office of
10 Management and Enterprise Services for approval and payment.

11 SECTION 12. This act shall become effective November 1, 2018.

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