

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 56th Legislature (2018)

4 COMMITTEE SUBSTITUTE
5 FOR ENGROSSED
6 SENATE BILL NO. 1185

By: Paxton and Pittman of the
Senate

and

Echols and Dollens of the
House

11 COMMITTEE SUBSTITUTE

12 An Act relating to industrial hemp; amending 63 O.S.
13 2011, Section 2-101, as last amended by Section 1,
14 Chapter 43, O.S.L. 2017 (63 O.S. Supp. 2017, Section
15 2-101), which relates to the Uniform Controlled
16 Dangerous Substances Act; modifying manner in which
17 industrial hemp may be grown in Oklahoma; creating
18 the Oklahoma Industrial Hemp Agricultural Pilot
19 Program; defining terms; authorizing a licensee to
20 engage in the growth and cultivation of industrial
21 hemp for certain purposes; limiting liability;
22 requiring application to the Oklahoma Department of
23 Agriculture, Food, and Forestry; providing
24 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

1 industrial hemp be approved; requiring the Department
2 to maintain a list of certified seeds; requiring a
3 harvest report; providing for routine inspection and
4 sampling of plants of the licensee with certain
5 notice; providing for additional inspection and
6 sampling under certain conditions and circumstances;
7 providing inspection procedure requirements;
8 requiring the licensee to pay for inspection and lab
9 analysis with exception; directing the Department to
10 promulgate rules; authorizing denial, revocation or
11 suspension of license under certain circumstances;
12 prohibiting penalty for certain sample testing
13 levels; directing the Department to study certain
14 funding possibilities; creating revolving fund;
15 authorizing expenditures of funds under certain
16 conditions; providing for codification; and providing
17 an effective date.

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

19 SECTION 1. AMENDATORY 63 O.S. 2011, Section 2-101, as
20 last amended by Section 1, Chapter 43, O.S.L. 2017 (63 O.S. Supp.
21 2017, Section 2-101), is amended to read as follows:

22 Section 2-101. As used in the Uniform Controlled Dangerous
23 Substances Act:

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

- a. a practitioner (or, in the presence of the
practitioner, by the authorized agent of the
practitioner), or

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

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

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

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

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

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

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

1 8. "Controlled dangerous substance" means a drug, substance or
2 immediate precursor in Schedules I through V of the Uniform
3 Controlled Dangerous Substances Act or any drug, substance or
4 immediate precursor listed either temporarily or permanently as a
5 federally controlled substance. Any conflict between state and
6 federal law with regard to the particular schedule in which a
7 substance is listed shall be resolved in favor of state law;

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

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

18 11. "Dispense" means to deliver a controlled dangerous
19 substance to an ultimate user or human research subject by or
20 pursuant to the lawful order of a practitioner, including the
21 prescribing, administering, packaging, labeling or compounding
22 necessary to prepare the substance for such distribution.

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

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

3 13. "Distributor" means a commercial entity engaged in the
4 distribution or reverse distribution of narcotics and dangerous
5 drugs and who complies with all regulations promulgated by the
6 federal Drug Enforcement Administration and the Oklahoma State
7 Bureau of Narcotics and Dangerous Drugs Control;

8 14. "Drug" means articles:

9 a. recognized in the official United States

10 Pharmacopoeia, official Homeopathic Pharmacopoeia of
11 the United States, or official National Formulary, or
12 any supplement to any of them,

13 b. intended for use in the diagnosis, cure, mitigation,
14 treatment or prevention of disease in man or other
15 animals,

16 c. other than food, intended to affect the structure or
17 any function of the body of man or other animals, and

18 d. intended for use as a component of any article
19 specified in this paragraph;

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

22 15. "Drug-dependent person" means a person who is using a
23 controlled dangerous substance and who is in a state of psychic or
24 physical dependence, or both, arising from administration of that

1 controlled dangerous substance on a continuous basis. Drug
2 dependence is characterized by behavioral and other responses which
3 include a strong compulsion to take the substance on a continuous
4 basis in order to experience its psychic effects, or to avoid the
5 discomfort of its absence;

6 16. "Home care agency" means any sole proprietorship,
7 partnership, association, corporation, or other organization which
8 administers, offers, or provides home care services, for a fee or
9 pursuant to a contract for such services, to clients in their place
10 of residence;

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

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

1 to pay. "Class A" Hospice refers to Medicare certified hospices.

2 "Class B" refers to all other providers of hospice services;

3 19. "Imitation controlled substance" means a substance that is
4 not a controlled dangerous substance, which by dosage unit
5 appearance, color, shape, size, markings or by representations made,
6 would lead a reasonable person to believe that the substance is a
7 controlled dangerous substance. In the event the appearance of the
8 dosage unit is not reasonably sufficient to establish that the
9 substance is an "imitation controlled substance", the court or
10 authority concerned should consider, in addition to all other
11 factors, the following factors as related to "representations made"
12 in determining whether the substance is an "imitation controlled
13 substance":

14 a. statements made by an owner or by any other person in
15 control of the substance concerning the nature of the
16 substance, or its use or effect,

17 b. statements made to the recipient that the substance
18 may be resold for inordinate profit,

19 c. whether the substance is packaged in a manner normally
20 used for illicit controlled substances,

21 d. evasive tactics or actions utilized by the owner or
22 person in control of the substance to avoid detection
23 by law enforcement authorities,
24

- 1 e. prior convictions, if any, of an owner, or any other
2 person in control of the object, under state or
3 federal law related to controlled substances or fraud,
4 and
5 f. the proximity of the substances to controlled
6 dangerous substances;

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

13 21. "Laboratory" means a laboratory approved by the Director as
14 proper to be entrusted with the custody of controlled dangerous
15 substances and the use of controlled dangerous substances for
16 scientific and medical purposes and for purposes of instruction;

17 22. "Manufacture" means the production, preparation,
18 propagation, compounding or processing of a controlled dangerous
19 substance, either directly or indirectly by extraction from
20 substances of natural or synthetic origin, or independently by means
21 of chemical synthesis or by a combination of extraction and chemical
22 synthesis. "Manufacturer" includes any person who packages,
23 repackages or labels any container of any controlled dangerous
24

1 substance, except practitioners who dispense or compound
2 prescription orders for delivery to the ultimate consumer;

3 23. "~~Marihuana~~ Marijuana" means all parts of the plant Cannabis
4 sativa L., whether growing or not; the seeds thereof; the resin
5 extracted from any part of such plant; and every compound,
6 manufacture, salt, derivative, mixture or preparation of such plant,
7 its seeds or resin, but shall not include:

- 8 a. the mature stalks of such plant or fiber produced from
9 such stalks,
- 10 b. oil or cake made from the seeds of such plant,
11 including cannabidiol derived from the seeds of the
12 ~~marihuana~~ marijuana plant,
- 13 c. any other compound, manufacture, salt, derivative,
14 mixture or preparation of such mature stalks (except
15 the resin extracted therefrom), including cannabidiol
16 derived from mature stalks, fiber, oil or cake,
- 17 d. the sterilized seed of such plant which is incapable
18 of germination,
- 19 e. for any person participating in a clinical trial to
20 administer cannabidiol for the treatment of severe
21 forms of epilepsy pursuant to Section 2-802 of this
22 title, a drug or substance approved by the federal
23 Food and Drug Administration for use by those
24 participants,

- 1 f. for any person or the parents, legal guardians or
2 caretakers of the person who have received a written
3 certification from a physician licensed in this state
4 that the person has been diagnosed by a physician as
5 having Lennox-Gastaut Syndrome, Dravet Syndrome, also
6 known as Severe Myoclonic Epilepsy of Infancy, or any
7 other severe form of epilepsy that is not adequately
8 treated by traditional medical therapies, spasticity
9 due to multiple sclerosis or due to paraplegia,
10 intractable nausea and vomiting, appetite stimulation
11 with chronic wasting diseases, the substance
12 cannabidiol, a nonpsychoactive cannabinoid, found in
13 the plant Cannabis sativa L. or any other preparation
14 thereof, that has a tetrahydrocannabinol concentration
15 of not more than three-tenths of one percent (0.3%)
16 and that is delivered to the patient in the form of a
17 liquid,
- 18 g. any federal Food and Drug Administration-approved
19 cannabidiol drug or substance, or
- 20 h. industrial hemp, from the plant Cannabis sativa L. and
21 any part, extract or derivative of such plant, whether
22 growing or not, with a delta-9 tetrahydrocannabinol
23 concentration of not more than three-tenths of one
24 percent (0.3%) on a dry-weight basis which shall ~~not~~

1 be grown ~~anywhere in the State of Oklahoma but may be~~
2 ~~shipped to Oklahoma~~ pursuant to the Oklahoma
3 Industrial Hemp Agricultural Pilot Program or pursuant
4 to the ~~provisions of subparagraph e or f of this~~
5 ~~paragraph~~ laws and regulations of another state,
6 country or jurisdiction;

7 24. "Medical purpose" means an intention to utilize a
8 controlled dangerous substance for physical or mental treatment, for
9 diagnosis, or for the prevention of a disease condition not in
10 violation of any state or federal law and not for the purpose of
11 satisfying physiological or psychological dependence or other abuse;

12 25. "Mid-level practitioner" means an advanced practice nurse
13 as defined and within parameters specified in Section 567.3a of
14 Title 59 of the Oklahoma Statutes, or a certified animal euthanasia
15 technician as defined in Section 698.2 of Title 59 of the Oklahoma
16 Statutes, or an animal control officer registered by the Oklahoma
17 State Bureau of Narcotics and Dangerous Drugs Control under
18 subsection B of Section 2-301 of this title within the parameters of
19 such officer's duty under Sections 501 through 508 of Title 4 of the
20 Oklahoma Statutes;

21 26. "Narcotic drug" means any of the following, whether
22 produced directly or indirectly by extraction from substances of
23 vegetable origin, or independently by means of chemical synthesis,
24 or by a combination of extraction and chemical synthesis:

- a. opium, coca leaves and opiates,
- b. a compound, manufacture, salt, derivative or preparation of opium, coca leaves or opiates,
- c. cocaine, its salts, optical and geometric isomers, and salts of isomers,
- d. ecgonine, its derivatives, their salts, isomers and salts of isomers, and
- e. a substance, and any compound, manufacture, salt, derivative or preparation thereof, which is chemically identical with any of the substances referred to in subparagraphs a through d of this paragraph, except that the words "narcotic drug" as used in Section 2-101 et seq. of this title shall not include decocainized coca leaves or extracts of coca leaves, which extracts do not contain cocaine or ecgonine;

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

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

3 29. "Peace officer" means a police officer, sheriff, deputy
4 sheriff, district attorney's investigator, investigator from the
5 Office of the Attorney General, or any other person elected or
6 appointed by law to enforce any of the criminal laws of this state
7 or of the United States;

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

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

13 32. "Practitioner" means:

- 14 a. (1) a medical doctor or osteopathic physician,
15 (2) a dentist,
16 (3) a podiatrist,
17 (4) an optometrist,
18 (5) a veterinarian,
19 (6) a physician assistant under the supervision of a
20 licensed medical doctor or osteopathic physician,
21 (7) a scientific investigator, or
22 (8) any other person,
23 licensed, registered or otherwise permitted to
24 prescribe, distribute, dispense, conduct research with

1 respect to, use for scientific purposes or administer
2 a controlled dangerous substance in the course of
3 professional practice or research in this state, or
4 b. a pharmacy, hospital, laboratory or other institution
5 licensed, registered or otherwise permitted to
6 distribute, dispense, conduct research with respect
7 to, use for scientific purposes or administer a
8 controlled dangerous substance in the course of
9 professional practice or research in this state;

10 33. "Production" includes the manufacture, planting,
11 cultivation, growing or harvesting of a controlled dangerous
12 substance;

13 34. "State" means the State of Oklahoma or any other state of
14 the United States;

15 35. "Ultimate user" means a person who lawfully possesses a
16 controlled dangerous substance for the person's own use or for the
17 use of a member of the person's household or for administration to
18 an animal owned by the person or by a member of the person's
19 household;

20 36. "Drug paraphernalia" means all equipment, products and
21 materials of any kind which are used, intended for use, or fashioned
22 specifically for use in planting, propagating, cultivating, growing,
23 harvesting, manufacturing, compounding, converting, producing,
24 processing, preparing, testing, analyzing, packaging, repackaging,

1 storing, containing, concealing, injecting, ingesting, inhaling or
2 otherwise introducing into the human body, a controlled dangerous
3 substance in violation of the Uniform Controlled Dangerous
4 Substances Act including, but not limited to:

- 5 a. kits used, intended for use, or fashioned specifically
6 for use in planting, propagating, cultivating, growing
7 or harvesting of any species of plant which is a
8 controlled dangerous substance or from which a
9 controlled dangerous substance can be derived,
- 10 b. kits used, intended for use, or fashioned specifically
11 for use in manufacturing, compounding, converting,
12 producing, processing or preparing controlled
13 dangerous substances,
- 14 c. isomerization devices used, intended for use, or
15 fashioned specifically for use in increasing the
16 potency of any species of plant which is a controlled
17 dangerous substance,
- 18 d. testing equipment used, intended for use, or fashioned
19 specifically for use in identifying, or in analyzing
20 the strength, effectiveness or purity of controlled
21 dangerous substances,
- 22 e. scales and balances used, intended for use, or
23 fashioned specifically for use in weighing or
24 measuring controlled dangerous substances,

- 1 f. diluents and adulterants, such as quinine
2 hydrochloride, mannitol, mannite, dextrose and
3 lactose, used, intended for use, or fashioned
4 specifically for use in cutting controlled dangerous
5 substances,
- 6 g. separation gins and sifters used, intended for use, or
7 fashioned specifically for use in removing twigs and
8 seeds from, or in otherwise cleaning or refining,
9 ~~marihuana~~ marijuana,
- 10 h. blenders, bowls, containers, spoons and mixing devices
11 used, intended for use, or fashioned specifically for
12 use in compounding controlled dangerous substances,
- 13 i. capsules, balloons, envelopes and other containers
14 used, intended for use, or fashioned specifically for
15 use in packaging small quantities of controlled
16 dangerous substances,
- 17 j. containers and other objects used, intended for use,
18 or fashioned specifically for use in parenterally
19 injecting controlled dangerous substances into the
20 human body,
- 21 k. hypodermic syringes, needles and other objects used,
22 intended for use, or fashioned specifically for use in
23 parenterally injecting controlled dangerous substances
24 into the human body,

1. objects used, intended for use, or fashioned specifically for use in ingesting, inhaling or otherwise introducing ~~marihuana~~ marijuana, 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~~ marijuana 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, traditional pipes of an American Indian tribal religious ceremony, or antique pipes that are thirty (30) years of age or older;

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

- (1) the chemical structure of which is substantially similar to the chemical structure of a controlled dangerous substance in Schedule I or II,
- (2) which has a stimulant, depressant, or hallucinogenic effect on the central nervous system that is substantially similar to or greater than the stimulant, depressant or hallucinogenic effect on the central nervous system of a controlled dangerous substance in Schedule I or II, or

1 (3) with respect to a particular person, which such
2 person represents or intends to have a stimulant,
3 depressant, or hallucinogenic effect on the
4 central nervous system that is substantially
5 similar to or greater than the stimulant,
6 depressant, or hallucinogenic effect on the
7 central nervous system of a controlled dangerous
8 substance in Schedule I or II.

9 b. The designation of gamma butyrolactone or any other
10 chemical as a precursor, pursuant to Section 2-322 of
11 this title, does not preclude a finding pursuant to
12 subparagraph a of this paragraph that the chemical is
13 a synthetic controlled substance.

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

- 15 (1) a controlled dangerous substance,
16 (2) any substance for which there is an approved new
17 drug application,
18 (3) with respect to a particular person any
19 substance, if an exemption is in effect for
20 investigational use, for that person under the
21 provisions of Section 505 of the Federal Food,
22 Drug and Cosmetic Act, Title 21 of the United
23 States Code, Section 355, to the extent conduct
24

1 with respect to such substance is pursuant to
2 such exemption, or

3 (4) any substance to the extent not intended for
4 human consumption before such an exemption takes
5 effect with respect to that substance.

6 d. Prima facie evidence that a substance containing
7 salvia divinorum has been enhanced, concentrated or
8 chemically or physically altered shall give rise to a
9 rebuttable presumption that the substance is a
10 synthetic controlled substance;

11 38. "Tetrahydrocannabinols" means all substances that have been
12 chemically synthesized to emulate the tetrahydrocannabinols of
13 ~~marihuana~~ marijuana;

14 39. "Isomer" means the optical isomer, except as used in
15 subsections C and F of Section 2-204 of this title and paragraph 4
16 of subsection A of Section 2-206 of this title. As used in
17 subsections C and F of Section 2-204 of this title, "isomer" means
18 the optical, positional or geometric isomer. As used in paragraph 4
19 of subsection A of Section 2-206 of this title, the term "isomer"
20 means the optical or geometric isomer;

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

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

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

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

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

11 As used in the Oklahoma Industrial Hemp Agricultural Pilot
12 Program:

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

17 2. "Department" means the Oklahoma Department of Agriculture,
18 Food, and Forestry;

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

23 4. "License" means authorization by the Department for any
24 institution of higher education in Oklahoma to grow and cultivate

1 industrial hemp on a registered land area for research and
2 development purposes as part of the Oklahoma Industrial Hemp
3 Agricultural Pilot Program; and

4 5. "Licensee" means an institution of higher education located
5 in Oklahoma which holds a valid license to grow industrial hemp
6 under the Oklahoma Industrial Hemp Agricultural Pilot Program.

7 Nothing in the Oklahoma Industrial Hemp Agricultural Pilot Program
8 shall prevent the licensee from adopting policies and procedures to
9 subcontract with persons or other legal entities to carry out the
10 purposes of the program; provided, that the Oklahoma Department of
11 Agriculture, Food, and Forestry will ensure subcontractors'
12 compliance with the Program requirements.

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

16 A. A licensee is authorized to:

17 1. Engage in the growth and cultivation of industrial hemp from
18 certified seeds for agricultural plant research and development
19 purposes; and

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

22 B. The activities performed under the Oklahoma Industrial Hemp
23 Agricultural Pilot Program shall not subject the persons
24 participating in the program to criminal liability under the Uniform

1 Controlled Dangerous Substances Act. The exemption from criminal
2 liability provided for in this subsection is a limited exemption
3 that shall be strictly construed and shall not apply to an activity
4 that is not expressly permitted under the Oklahoma Industrial Hemp
5 Agricultural Pilot Program.

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

9 A. An institution of higher education located in Oklahoma
10 wishing to engage in industrial hemp growth and cultivation
11 authorized under the Oklahoma Industrial Hemp Agricultural Pilot
12 Program shall apply to the Oklahoma Department of Agriculture, Food,
13 and Forestry for a license prior to planting the industrial hemp.

14 1. The application shall include:

- 15 a. the name and address of the institution of higher
16 education,
- 17 b. the legal description, global positioning system
18 location and map of the land area on which the
19 licensee will engage in industrial hemp growth and
20 cultivation operations,
- 21 c. a statement of intended end use, and
- 22 d. a statement that the licensee intends to plant only
23 certified seeds.

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

- 3 a. information provided to the Department may be provided
4 to law enforcement agencies,
- 5 b. the licensee and any entities contracting with the
6 licensee shall allow and fully cooperate with any
7 inspection and sampling that the Department deems
8 necessary,
- 9 c. the licensee will submit all required reports by the
10 applicable due dates specified by the Department, and
- 11 d. the licensee has the legal right to cultivate
12 industrial hemp from certified seeds on the registered
13 land area and shall grant the Department access for
14 inspection and sampling.

15 B. The Department shall collect a nonrefundable fee from the
16 licensee at the time of application. The Department shall set a fee
17 schedule based on the size and use of the land area on which the
18 licensee will conduct industrial hemp growing or cultivation
19 operations and shall set the fee at a level sufficient to generate
20 the amount of monies necessary to cover the Department's direct
21 costs in implementing the Oklahoma Industrial Hemp Agricultural
22 Pilot Program. Denied applications for licenses may be resubmitted
23 within a twelve-month period. The Department may waive the fee for
24 resubmitted applications.

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

7 D. All industrial hemp plant material shall be planted, grown
8 and harvested under a valid license. Any plant material that is not
9 harvested in the licensed period in which it was planted or
10 volunteer plants that are not destroyed must be declared for
11 inclusion in a subsequent license.

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

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

21 G. The Department shall promulgate rules necessary to implement
22 the licensing program and to implement the Oklahoma Industrial Hemp
23 Agricultural Pilot Program.

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

4 A. The Oklahoma Department of Agriculture, Food, and Forestry
5 shall establish a Certified Seed Program to identify seeds that have
6 been confirmed to produce industrial hemp. In accordance with all
7 federal state laws and regulations, the Department may import seeds.

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

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

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

17 A. At least thirty (30) days prior to harvest, each licensee
18 shall file a harvest report on a form approved by the Oklahoma
19 Department of Agriculture, Food, and Forestry that includes:

20 1. A statement of intended disposition of its industrial hemp
21 crop;

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

1 3. The documented environmental impacts and viability of each
2 variety; and

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

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

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

10 A. Any plants of the licensee are subject to routine inspection
11 and sampling to verify that the delta-9 tetrahydrocannabinol
12 concentration of the plants planted does not exceed three-tenths of
13 one percent (0.3%) on a dry-weight basis. The Oklahoma Department
14 of Agriculture, Food, and Forestry shall notify each licensee of the
15 scope of the inspection and the process by which the inspection will
16 be conducted.

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

21 C. During an inspection and sampling, the Department shall make
22 a good-faith attempt to have the licensee present at the time of
23 inspection and sampling. The licensee or authorized representative
24 shall provide the Department's inspector with complete and

1 unrestricted access to all plants, parts and seeds, whether growing
2 or harvested, and all land, buildings and other structures used for
3 the growth, cultivation, harvesting or storage of industrial hemp,
4 and all documents and records pertaining to the licensee's
5 industrial hemp-growing and cultivation operation.

6 D. The licensee shall pay for any inspection and laboratory
7 analysis costs that the Department deems necessary within thirty
8 (30) days of the date of the receipt of an invoice for the costs.
9 The Department shall waive all inspection or sampling costs if no
10 inconsistencies or violations are identified that are not part of
11 the routine inspection process.

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

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

18 A. The Oklahoma Department of Agriculture, Food, and Forestry
19 may deny, revoke or suspend a license if the licensee:

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

22 2. Engages in fraud or deception in the procurement of or
23 attempt to procure a license under this Oklahoma Industrial Hemp
24

1 Agricultural Pilot Program or provides false information on a
2 license application;

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

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

8 5. Knowingly provides false, misleading or incorrect
9 information pertaining to the licensee's cultivation of industrial
10 hemp to the Department by any means, including in information
11 provided in any application form, report, record or inspection
12 required or maintained for purposes of the Oklahoma Industrial Hemp
13 Agricultural Pilot Program;

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

16 7. Fails to pay fees required by the Oklahoma Industrial Hemp
17 Agricultural Pilot Program.

18 B. If a sample of a licensee's industrial hemp tests higher
19 than three-tenths of one percent (0.3%) but less than one percent
20 (1%) delta-9 tetrahydrocannabinol concentration, the licensee shall
21 not be subject to any penalty under the Oklahoma Industrial Hemp
22 Agricultural Pilot Program if the crop is destroyed or utilized on
23 site in a manner approved of and verified by the Department.
24

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

4 The Oklahoma Department of Agriculture, Food, and Forestry shall
5 study the feasibility of attracting federal and private funding to
6 implement the Oklahoma Industrial Hemp Agricultural Pilot Program.

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

10 There is hereby created in the State Treasury a revolving fund
11 for the State Board of Agriculture to be designated the "Oklahoma
12 Industrial Hemp Agricultural Pilot Program Fund". The fund shall be
13 a continuing fund, not subject to fiscal year limitations and shall
14 consist of all monies received by the State Board of Agriculture
15 from fees received and collected pursuant to the Oklahoma Industrial
16 Hemp Agricultural Pilot Program, donations, grants, contributions
17 and gifts from any public or private source. The Board may expend
18 funds for the purposes set forth in the Oklahoma Industrial Hemp
19 Agricultural Pilot Program. Expenditures from said fund shall be
20 made upon warrants issued by the State Treasurer against claims
21 filed as prescribed by law with the Director of the Office of
22 Management and Enterprise Services for approval and payment.

23

24

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

COMMITTEE REPORT BY: COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT,
dated 03/27/2018 - DO PASS, As Amended.