

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE
4 FOR
5 HOUSE BILL NO. 3891

By: Townley

6
7
8 COMMITTEE SUBSTITUTE

9 An Act relating to medical marijuana; amending 63
10 O.S. 2021, Section 422, which relates to medical
11 marijuana commercial grower licensing; prohibiting
12 medical marijuana commercial grow operations from
13 being located near public schools; providing for the
14 continuation of licensure under certain
15 circumstances; defining term; providing an exception
16 to certain defined term; and providing an effective
17 date.

18
19
20 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

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

1 Department of Health shall have ninety (90) days to review the
2 application; approve, reject or deny the application; and mail the
3 approval, rejection or denial letter stating the reasons for the
4 rejection or denial to the applicant.

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

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

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

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

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

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

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

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

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.

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. 1. The location of any licensed medical marijuana processor
14 or licensed medical marijuana commercial grow operation is
15 specifically prohibited within one thousand (1,000) feet of any
16 public school. The distance indicated in this subsection shall be
17 measured from the nearest property line of the public school to the
18 nearest perimeter wall of the licensed premises of the medical
19 marijuana processor or medical marijuana commercial grower.

20 2. If a licensed medical marijuana processor or licensed
21 medical marijuana commercial grow operation was established within
22 one thousand (1,000) feet of a public school at the time of initial
23 licensure, the medical marijuana processor or medical marijuana
24 commercial grower licensee shall be permitted to continue operating

1 at the licensed premises in the same manner and not be subject to
2 nonrenewal or revocation due to subsequent events or changes in
3 regulations occurring after licensure that would render the medical
4 marijuana processor or medical marijuana commercial grower in
5 violation of the provisions of this subsection. If any public
6 school is established within one thousand (1,000) feet of any
7 medical marijuana processor or medical marijuana commercial grow
8 operation after such medical marijuana processor or medical
9 marijuana commercial grower has been licensed, the provisions of
10 this subsection shall not be a deterrent to the renewal of such
11 license or warrant revocation of the license.

12 3. As used in this subsection, "public school" means all free
13 schools supported by public taxation, and shall include grades
14 prekindergarten through twelve and technology center schools that
15 provide vocational and technical instruction for high school
16 students who attend the technology center school on a tuition-free
17 basis. The term "public school" shall include property used for
18 athletic events including stadiums, athletic facilities, ballparks
19 and fields that are owned, used, or operated by a public school.
20 The term "public school" shall not include private schools, home
21 schools, or virtual schools. For purposes of this subsection, a
22 property owned, used, or operated by a public school that is not
23 used for classroom instruction on core curriculum, such as an
24 administrative building, shall not constitute a public school unless

1 such property is located on the same campus as a building used for
2 classroom instruction on core curriculum.

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

4

5 58-2-10999 JL 03/03/22

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24