

1 STATE OF OKLAHOMA

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

3 HOUSE BILL 3891

By: Townley

6 AS INTRODUCED

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

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

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

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

1 approval, rejection or denial letter stating the reasons for the
2 rejection or denial to the applicant.

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

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

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

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

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

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

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

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

23 C. A licensed commercial grower may sell marijuana to a
24 licensed dispensary or a licensed processor. Further, sales by a

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

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

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

11 F. 1. The location of any medical marijuana commercial grow
12 operation is specifically prohibited within one thousand (1,000)
13 feet of any public school. The distance indicated in this
14 subsection shall be measured from the nearest property line of the
15 public school to the nearest property line of the grow operation of
16 such medical marijuana commercial grower.

17 2. If a medical marijuana commercial grow operation was
18 established within one thousand (1,000) feet of a public school at
19 the time of initial licensure, the medical marijuana commercial
20 grower licensee shall be permitted to continue operating at the
21 licensed premises in the same manner and not be subject to
22 nonrenewal or revocation due to subsequent events or changes in
23 regulations occurring after licensure that would render the medical
24 marijuana commercial grower in violation of the provisions of this

1 subsection. If any public school is established within one thousand
2 (1,000) feet of any medical marijuana commercial grow operation
3 after such medical marijuana commercial grower has been licensed,
4 the provisions of this subsection shall not be a deterrent to the
5 renewal of such license or warrant revocation of the license.

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

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

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