

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

HOUSE BILL 2989

By: Russ

AS INTRODUCED

An Act relating to public health and safety; amending 63 O.S. 2021, Section 422, which relates to license applications for medical marijuana growing; prescribing procedures with respect to approval of commercial grow licenses; providing for identification of real property; requiring submission of certain question to voters; requiring majority approval for issuance of license; prescribing procedures for submission of question; prescribing wording for ballot titles; prescribing procedures for communication of election outcomes to the State Department of Health; providing for effect of failure of county voters to approve application; prohibiting applications during certain time period; requiring State Department of Health to maintain registry for purposes of implementing requirements related to election outcomes; and providing an effective date.

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

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

Section 422. A. The State Department of Health shall, within 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

1 Thousand Five Hundred Dollars (\$2,500.00). A method of payment
2 shall be provided on the website of the Department. ~~The~~ Subject to
3 the provisions of subsections F through O of this section, the State
4 Department of Health shall have ninety (90) days to review the
5 application; approve, reject or deny the application; and mail the
6 approval, rejection or denial letter stating the reasons for the
7 rejection or denial to the applicant.

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

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

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

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

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

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

21 6. All applicants must disclose all ownership interests in the
22 commercial grower operation; and

23 7. All applicants shall be required to prove that any county in
24 which real property owned by or leased to the applicant for a

1 commercial grower license has approved issuance of the license as
2 prescribed pursuant to the provisions of subsections F through O of
3 this section.

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

9 C. A licensed commercial grower may sell marijuana to a
10 licensed dispensary or a licensed processor. Further, sales by a
11 licensed commercial grower shall be considered wholesale sales and
12 shall not be subject to taxation. Under no circumstances may a
13 licensed commercial grower sell marijuana directly to a licensed
14 medical marijuana patient or licensed caregiver. A licensed
15 commercial grower may only sell at the wholesale level to a licensed
16 dispensary, a licensed grower or a licensed processor. If the
17 federal government lifts restrictions on buying and selling
18 marijuana between states, then a licensed commercial grower would be
19 allowed to sell and buy marijuana wholesale from, or to, an out-of-
20 state wholesale provider. A licensed commercial grower shall be
21 required to complete a monthly yield and sales report to the State
22 Department of Health. This report shall be due on the fifteenth of
23 each month and provide reporting on the previous month. This report
24 shall detail the amount of marijuana harvested in pounds, the amount

1 of drying or dried marijuana on hand, the amount of marijuana sold
2 to licensed processors in pounds, the amount of waste in pounds, and
3 the amount of marijuana sold to licensed dispensaries in pounds.
4 Additionally, this report shall show total wholesale sales in
5 dollars. The State Department of Health shall have oversight and
6 auditing responsibilities to ensure that all marijuana being grown
7 by licensed commercial growers is accounted for.

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

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

20 F. Prior to the time an application otherwise authorized by
21 this section is filed with the State Department of Health, an
22 individual or entity seeking a commercial grower license shall make
23 application to the county or counties in which any real property
24 owned by or leased to the applicant is located and upon which

1 commercial marijuana growing as authorized by this section is to
2 occur. The provisions of this subsection and subsections G through
3 0 of this section shall be applicable to real property located in
4 either unincorporated areas or incorporated areas of the county. The
5 application shall be on such form as prescribed by the State
6 Department of Health for such purpose.

7 G. All applications for approval of a commercial grow license
8 by the county shall be submitted not later than June 30 each year.
9 The question for approval of the license shall only be submitted for
10 a vote at the General Election held in each even-numbered year.

11 H. The board of county commissioners of the county or counties
12 to which an application for approval of a commercial grower license
13 is submitted pursuant to the provisions of this section shall submit
14 a question to the voters of the county or counties in which the real
15 property, which shall be clearly identified in the application, is
16 located. If an application for a single license describes a parcel
17 of real property located in more than one county, the application
18 shall be submitted in each and every county in which the parcel is
19 located and the boards of county commissioners of the affected
20 counties shall coordinate their actions so that the vote for
21 approval of the license application occurs on the same date in each
22 county with respect to such license application.

23 I. If a parcel of real property identified in a commercial
24 grower license application is located in more than one county, the

1 license may only be issued by a county the voters of which have
2 approved the issuance of the license and only to the extent of
3 growing operations for marijuana on the real property located within
4 the boundary of the county the voters of which have approved the
5 issuance of the license.

6 J. The question for approval of the commercial grower license
7 shall be submitted in substantially the following form:

8 SHALL A COMMERCIAL GROWER LICENSE FOR MARIJUANA BE ISSUED TO
9 [INSERT LEGAL NAME OF APPLICANT] WITH RESPECT TO THE FOLLOWING
10 DESCRIBED REAL PROPERTY LOCATED IN [INSERT COUNTY NAME AND
11 PHYSICAL ADDRESS OR OTHER APPLICABLE DESCRIPTION, WHETHER LOT OR
12 BLOCK OR METES AND BOUNDS OR OTHER DESCRIPTION BY WHICH A PERSON
13 OF REASONABLE UNDERSTANDING COULD IDENTIFY THE LOCATION OF THE
14 PROPERTY]?

15 YES - FOR THE APPROVAL OF THE LICENSE _____

16 NO - AGAINST THE APPROVAL OF THE LICENSE _____

17 K. A majority of those persons voting on the question submitted
18 pursuant to subsection J of this section shall be required in order
19 for the license application to be approved.

20 L. If the voters of the applicable county or counties approve
21 the issuance of the license, the outcome of the vote shall be
22 certified by the county election board of the affected county or
23 counties and a certified copy of the outcome shall be attached to
24 the license application submitted to the State Department of Health

1 which shall then review the application pursuant to the requirements
2 of law and either approve or deny the application.

3 M. If the voters of the applicable county or counties do not
4 approve the issuance of the license, the outcome of the election
5 shall be certified by the county election board of the applicable
6 county or counties and such certified result shall be provided to
7 the license applicant and transmitted to the State Department of
8 Health, by certified mail with return receipt requested, not later
9 than seven (7) days after the election result has been certified by
10 the applicable county election board.

11 N. An applicant for a commercial grower license that is denied
12 approval by a county or counties pursuant to the provisions of this
13 section shall not make application to the county in which any real
14 property described in a ballot as prescribed by subsection J of this
15 section was contained for a period of five (5) years from the date
16 of such election. No application for a commercial grower license
17 shall be submitted by any applicant in a county that has denied a
18 commercial grower license pursuant to the voting procedures
19 prescribed by this section for a period of five (5) years from the
20 date of the election.

21 O. The State Department of Health shall maintain a registry or
22 record of any county the voters of which did not approve a
23 commercial grower license application pursuant to the provisions of
24 this section in order to prevent the issuance of a license to any

1 applicant for a period of five (5) years from the date of the
2 election with respect to any real property located in a county the
3 voters of which did not approve the issuance of a license.

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

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