

1 ENGROSSED HOUSE
2 BILL NO. 3011

By: Smith of the House

3 and

4 Kidd of the Senate
5

6 An Act relating to agriculture; amending 2 O.S. 2021,
7 Sections 3-402, as amended by Section 1, Chapter 265,
8 O.S.L. 2022 (2 O.S. Supp. 2023, Section 3-402), 3-
9 403, as amended by Section 2, Chapter 265, O.S.L.
10 2022 (2 O.S. Supp. 2023, Section 3-403), Section 3-
11 404, Section 3-406, and Section 3-408, as amended by
12 Section 3, Chapter 265, O.S.L. 2022 (2 O.S. Supp.
13 2023, Section 3-408), which relate to hemp; adding
14 definition; requiring remediation to occur at certain
15 location; providing guidance for noncompliant hemp;
16 modifying the requirements for the selling of
17 industrial hemp grain and other industrial hemp
18 derivatives; requiring new and renewal applications
19 to include a criminal history report or background
20 check; providing timeline for harvesting after sample
21 collection; modifying the causes to deny, revoke or
22 suspend a license; and providing an effective date.

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

24 SECTION 1. AMENDATORY 2 O.S. 2021, Section 3-402, as
amended by Section 1, Chapter 265, O.S.L. 2022 (2 O.S. Supp. 2023,
Section 3-402), is amended to read as follows:

Section 3-402. As used in the Oklahoma Industrial Hemp Program:

1. "Department" means the Oklahoma Department of Agriculture,
Food, and Forestry;

1 2. "Fiber" means the stalk of the industrial hemp plant and
2 does not include the flower or seeds of the plant;

3 3. "Flower" means the part of the industrial hemp plant that
4 contains the majority of the industrial hemp plant's
5 tetrahydrocannabinol and other cannabinoids;

6 4. "Grain" means all of the parts of an industrial hemp plant
7 except the stalk or the flower of the industrial hemp plant;

8 5. "Handling" means possessing or storing industrial hemp for
9 any period of time on premises owned, operated or controlled by a
10 person licensed to cultivate or process industrial hemp and also
11 includes possessing or storing industrial hemp in a vehicle for any
12 period of time other than during its actual transport from the
13 premises of a licensed person to cultivate or process industrial
14 hemp to the premises of another licensed person;

15 6. "Industrial hemp" means the plant *Cannabis sativa* L. and any
16 part of the plant, including the seeds thereof, and all derivatives,
17 extracts, cannabinoids, isomers, acids, salts and salts of isomers,
18 whether growing or not, with a delta-9 tetrahydrocannabinol
19 concentration of not more than three-tenths of one percent (0.3%) on
20 a dry-weight basis;

21 7. "Key participant" is a person or persons who have a direct
22 or indirect financial interest in the entity producing hemp, such as
23 an owner or partner in a partnership. A key participant also
24 includes persons in a corporate entity, including tribally owned

1 corporation individuals, at executive levels, including chief
2 executive officer, chief operating officer, and chief financial
3 officer. This does not include such management personnel as farm,
4 field, or shift managers. This definition also does not include a
5 member of the leadership of a tribal government who is acting in
6 their capacity as a tribal leader except when that member exercises
7 executive managerial control over hemp production.

8 8. "Licensee" means a person who holds a valid Industrial Hemp
9 License to grow industrial hemp under the Oklahoma Industrial Hemp
10 Program. A licensee shall have the ability to remediate
11 noncompliant industrial hemp with a delta-9 tetrahydrocannabinol
12 concentration of not more than one percent (1.0%) on a dry-weight
13 basis for retesting as set forth by the Department as long as the
14 noncompliant industrial hemp has a delta-9 tetrahydrocannabinol
15 concentration of not more than three-tenths of one percent (0.3%) on
16 a dry-weight basis after retesting, and the option to remediate the
17 industrial hemp through the reasonable destruction of the flower or
18 shredding of the entire lot into a homogeneous biomass results in
19 the remediation of any part of the industrial hemp plant that is
20 above three-tenths of one percent (0.3%) on a dry-weight basis. All
21 noncompliant hemp must be tracked and documented. The State Board
22 of Agriculture shall have jurisdiction over such remediation, which
23 includes, but is not limited to, destruction through composting,
24 burning, or other regulated disposal methods if the industrial hemp

1 is not remediated into a final product before processing below
2 three-tenths of one percent (0.3%) on a dry-weight basis;

3 ~~8.~~ 9. "License" means authorization by the Department for any
4 person to grow and cultivate industrial hemp on a registered land
5 area as part of the Oklahoma Industrial Hemp Program; and

6 ~~9.~~ 10. "Processing" means converting industrial hemp into a
7 marketable form, including the production of all derivatives,
8 extracts, cannabinoids, isomers, acids, salts and salts of isomers.

9 SECTION 2. AMENDATORY 2 O.S. 2021, Section 3-403, as
10 amended by Section 2, Chapter 265, O.S.L. 2022 (2 O.S. Supp. 2023,
11 Section 3-403), is amended to read as follows:

12 Section 3-403. A. 1. A licensee is authorized to engage in
13 the growth, cultivation, handling or processing of industrial hemp
14 and may remediate noncompliant industrial hemp with a delta-9
15 tetrahydrocannabinol concentration of not more than one percent
16 (1.0%) on a dry-weight basis and prepare for retesting as set forth
17 by the Department as long as the noncompliant industrial hemp has a
18 delta-9 tetrahydrocannabinol concentration of not more than three-
19 tenths of one percent (0.3%) on a dry-weight basis after retesting,
20 or all or part of the product is disposed of in the process of
21 remediation so that only a compliant product (with a delta-9
22 tetrahydrocannabinol concentration of not more than three-tenths of
23 one percent (0.3%) on a dry-weight basis) is left, or all disposable
24 waste is destroyed following a remediation process.

1 2. ~~A remediation facility shall be an option of the remediation~~
2 ~~process. The licensee may remediate any noncompliant industrial~~
3 ~~hemp at its own facilities, affiliated facilities, or third-party~~
4 ~~facilities as long as these facilities are licensed and approved by~~
5 ~~the State Board of Agriculture as a remediation facility~~ Remediation
6 shall occur on the licensee's facility. Noncompliant hemp shall not
7 leave the licensee's facility until a compliant test is received.

8 The State Board of Agriculture shall be notified before any
9 noncompliant industrial hemp is transported to a remediation
10 facility. Retesting of any noncompliant industrial hemp shall be
11 done within sixty (60) days post-harvest. Within seven (7) days of
12 receiving notice of a measured tetrahydrocannabinol concentration
13 that exceeds the acceptable hemp tetrahydrocannabinol level but is
14 less than one percent (1.0%), the licensed grower shall consent to
15 the destruction of all cannabis from that lot, or he or she may
16 request remediation and a post-harvest retest in a homogenized form
17 in accordance with the procedures established by the State Board of
18 Agriculture. A measured tetrahydrocannabinol concentration that
19 exceeds one percent (1.0%) shall require the licensed grower to
20 properly dispose of all cannabis from that lot. The retest fee
21 shall be paid in an amount established by the State Board of
22 Agriculture. Samples with a measured tetrahydrocannabinol
23 concentration of one percent (1.0%) or greater shall not be eligible
24 for a post-harvest retest or remediation and shall be destroyed.

1 3. Licensees ~~are allowed to~~ may sell industrial hemp grain and
2 other industrial hemp derivatives that are either grown or processed
3 in this state, that do not include the flower, for the purpose of
4 livestock feed and other animal consumption in this state if the
5 licensee meets the requirements for compliant hemp with a total
6 delta-9 tetrahydrocannabinol concentration of not more than three-
7 tenths of one percent (0.3%).

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

15 SECTION 3. AMENDATORY 2 O.S. 2021, Section 3-404, is
16 amended to read as follows:

17 Section 3-404. A. A person intending to engage in industrial
18 hemp growth, cultivation, handling or processing authorized under
19 the Oklahoma Industrial Hemp Program shall apply to the Oklahoma
20 Department of Agriculture, Food, and Forestry for a license prior to
21 planting, handling or processing the industrial hemp.

22 1. The application shall include:

23 a. the name and address of the applicant,
24

- b. the legal description, global positioning system location, and map of the land area on which the applicant will engage in industrial hemp growth and cultivation operations, handling operations or processing operations, and
- c. a statement of intended end use.

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

- a. information provided to the Department may be provided to law enforcement agencies,
- b. the applicant shall allow and fully cooperate with any inspection and sampling that the Department deems necessary,
- c. the applicant will submit all required reports by the applicable due dates specified by the Department, ~~and~~
- d. the applicant has the legal right to cultivate, handle or process industrial hemp on the registered land area and shall grant the Department access for inspection and sampling, and
- e. new and renewal applications shall include a criminal history report, or background check, for all key participants.

B. The Department shall collect a nonrefundable fee from the applicant at the time of application. The Department shall set a

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

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

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

20 E. If the licensee wishes to alter the land area on which the
21 licensee will conduct industrial hemp growth, cultivation, handling
22 or processing operations within thirty (30) days of any new license,
23 before altering the area, the licensee shall submit to the
24 Department and the United States Department of Agriculture Farm

1 Service Agency an updated legal description, global positioning
2 system location, and map specifying the proposed alterations.

3 F. Each licensee shall report any changes to information
4 provided in the license application within ten (10) days of such
5 change to the Department and the United States Department of
6 Agriculture Farm Service Agency.

7 G. A licensee shall maintain all records pertaining to the
8 license and growing records for a minimum of three (3) years.

9 H. The Department shall promulgate rules necessary to implement
10 the licensing program and to implement the Oklahoma Industrial Hemp
11 Program.

12 I. The Department shall promulgate rules to facilitate
13 transportation of industrial hemp.

14 SECTION 4. AMENDATORY 2 O.S. 2021, Section 3-406, is
15 amended to read as follows:

16 Section 3-406. A. At least thirty (30) days prior to harvest,
17 each licensee shall file a harvest report on a form approved by the
18 Department that includes:

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

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

23 B. The licensee shall harvest within thirty (30) days of sample
24 collection.

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

3 SECTION 5. AMENDATORY 2 O.S. 2021, Section 3-408, as
4 amended by Section 3, Chapter 265, O.S.L. 2022 (2 O.S. Supp. 2023,
5 Section 3-408), is amended to read as follows:

6 Section 3-408. A. The Department may deny, revoke or suspend a
7 license if the licensee:

8 1. Violates any provision of the Oklahoma Industrial Hemp
9 Program or rules adopted pursuant to the program;

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

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

15 4. Refuses or fails to provide any information required or
16 requested by the Department for purposes of the Oklahoma Industrial
17 Hemp Program;

18 5. Knowingly provides false, misleading or incorrect
19 information pertaining to the licensee's cultivation, handling or
20 processing of industrial hemp to the Department by any means,
21 including information provided in any application form, report,
22 record or inspection required or maintained for purposes of the
23 Oklahoma Industrial Hemp Program;

1 6. Fails to submit any report required by the Oklahoma
2 Industrial Hemp Program; or

3 7. Fails to pay fees required by the Oklahoma Industrial Hemp
4 Program.

5 B. 1. If a sample of a licensee's industrial hemp tests higher
6 than three-tenths of one percent (0.3%) but less than one percent
7 (1.0%) on a dry-weight basis for total delta-9 tetrahydrocannabinol
8 concentration, the licensee shall not be subject to any penalty
9 under the Oklahoma Industrial Hemp Program if the crop is destroyed
10 or remediated.

11 2. A licensee that negligently violates the provisions of the
12 Oklahoma Industrial Hemp Program three times in any five-year period
13 shall be ineligible to obtain a license pursuant to the Oklahoma
14 Industrial Hemp Program for a period of five (5) years beginning on
15 the date of the third violation.

16 C. Any person convicted of a felony relating to a controlled
17 substance under state or federal law shall be ineligible during the
18 ten-year period following the date of conviction to participate in
19 this program.

20 SECTION 6. This act shall become effective November 1, 2024.
21
22
23
24

1 Passed the House of Representatives the 5th day of March, 2024.

2
3 _____
4 Presiding Officer of the House
5 of Representatives

6 Passed the Senate the ____ day of _____, 2024.

7
8 _____
9 Presiding Officer of the Senate