

An Act

ENROLLED SENATE
BILL NO. 1737

By: Stephens, Pederson, and
Jett of the Senate

and

Patzkowsky, Hill, and Burns
of the House

An Act relating to medical marijuana; amending 63 O.S. 2021, Section 422, as last amended by Section 3 of Enrolled Senate Bill No. 1543 of the 2nd Session of the 58th Oklahoma Legislature, which relates to medical marijuana commercial grower licenses; requiring all medical marijuana commercial grower licensees to register as an environmentally sensitive crop owner; directing medical marijuana commercial grower licensees to provide certain information when registering; updating statutory language; amending 63 O.S. 2021, Section 427.21, which relates to medical marijuana business advertising; requiring medical marijuana commercial grower licensees to display outdoor signage; stating requirements for signage postage; providing for immediate revocation of license; and providing an effective date.

SUBJECT: Medical marijuana

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

SECTION 1. AMENDATORY 63 O.S. 2021, Section 422, as last amended by Section 3 of Enrolled Senate Bill No. 1543 of the 2nd Session of the 58th Oklahoma Legislature, is amended to read as follows:

Section 422. A. The Oklahoma Medical Marijuana Authority 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 Thousand Five Hundred Dollars (\$2,500.00). A method of payment shall be provided on the website of the Authority. The Authority shall have ninety (90) days to review the application; approve, reject or deny the application; and mail the approval, rejection or denial letter stating the reasons for the rejection or denial to the applicant.

B. The Authority shall approve all applications which meet the following criteria:

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

2. The applicant, if applying as an individual, must show residency in this state;

3. All applying entities must show that all members, managers, and board members are residents of this state;

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

5. All applying individuals or entities must be registered to conduct business in this state; and

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

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

C. A licensed commercial grower may sell marijuana to a licensed dispensary or a licensed processor. Further, sales by a licensed commercial grower shall be considered wholesale sales and shall not be subject to taxation. Under no circumstances may a licensed commercial grower sell marijuana directly to a licensed

medical marijuana patient or licensed caregiver. A licensed commercial grower may only sell at the wholesale level to a licensed dispensary, a licensed grower or a licensed processor. If the federal government lifts restrictions on buying and selling marijuana between states, then a licensed commercial grower would be allowed to sell and buy marijuana wholesale from, or to, an out-of-state wholesale provider. A licensed commercial grower shall be required to complete a monthly yield and sales report to the Authority. This report shall be due on the fifteenth of each month and provide reporting on the previous month. This report shall detail the amount of marijuana harvested in pounds, the amount of drying or dried marijuana on hand, the amount of marijuana sold to licensed processors in pounds, the amount of waste in pounds, and the amount of marijuana sold to licensed dispensaries in pounds. Additionally, this report shall show total wholesale sales in dollars. The Authority shall have oversight and auditing responsibilities to ensure that all marijuana being grown by licensed commercial growers is accounted for.

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

E. Beginning on November 1, 2021, licensed commercial growers shall be authorized to package and sell pre-rolled marijuana to licensed medical marijuana dispensaries. The products described in this subsection shall contain only the ground parts of the marijuana plant and shall not include marijuana concentrates or derivatives. The total net weight of each pre-roll packaged and sold by medical marijuana commercial growers shall not exceed one (1) gram. These products must be tested, packaged and labeled in accordance with state law and rules promulgated by the Executive Director of the Oklahoma Medical Marijuana Authority.

F. Beginning November 1, 2022, all medical marijuana commercial grower licensees who operate an outdoor medical marijuana production facility shall be required to register with the Oklahoma Department of Agriculture, Food, and Forestry as an environmentally sensitive crop owner. Registration shall provide notice to commercial and private pesticide applicators of the locations of medical marijuana crops and help minimize the potential for damaging pesticide drift. Medical marijuana commercial grower licensees shall provide their business name, address, Global Positioning System (GPS) coordinates

for all outdoor medical marijuana production facilities, and any other information required by the Department when registering with the Environmentally Sensitive Area Registry.

SECTION 2. AMENDATORY 63 O.S. 2021, Section 427.21, is amended to read as follows:

Section 427.21. A. A medical marijuana business shall not engage in advertising that is deceptive, false or misleading.

B. Medical marijuana advertising shall not contain any statement or illustration that:

1. Promotes overconsumption;
2. Represents that the use of marijuana has curative or therapeutic effects; or
3. Depicts a child or other person under legal age to consume marijuana, or includes:
 - a. objects such as toys or cartoon or other characters, which suggest the presence of a child, or any other depiction designed in any manner to be especially appealing to children or other persons under legal age to consume marijuana, or
 - b. any manner or design that would be especially appealing to children or other persons under eighteen (18) years of age.

C. Upon the effective date of this act, all medical marijuana commercial grower licensees shall be required to post signage at the site of the commercial grow operation. Signage shall be located at the perimeter of the property with dimensions measuring no less than eighteen (18) inches by twenty-four (24) inches with a font size of no less than two (2) inches. Information required to be displayed on the sign shall be in black standardized font on a white background. The Oklahoma Medical Marijuana Authority shall promulgate rules as necessary regarding the size, placement, issuance and specifications of the required signage. The following information shall be included on the required signage:

1. Business name;
2. Physical address of the licensed business;
3. Phone number of the licensed business; and
4. Medical marijuana business license number.

The required signage shall also comply with county regulations and local ordinances related to the real property where the commercial grow operation is located. Failure to erect the proper signage within sixty (60) days after the renewal of each application for a medical marijuana commercial grower license in accordance with the provisions of this subsection shall result in the immediate revocation of the medical marijuana commercial grower license. Upon issuance of a temporary license, all medical marijuana commercial grower licensees shall be required to comply with the provisions of this subsection prior to the prelicensure inspection conducted by the Authority.

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

Passed the Senate the 17th day of May, 2022.

Presiding Officer of the Senate

Passed the House of Representatives the 19th day of May, 2022.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____