

OKLAHOMA STATE SENATE
CONFERENCE
COMMITTEE REPORT

May 10, 2022

Mr. President:

Mr. Speaker:

The Conference Committee, to which was referred

SB1737

By: Stephens of the Senate and Patzkowsky of the House

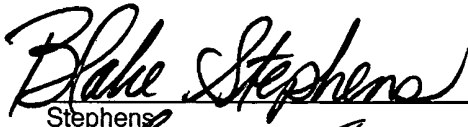
Title: Medical marijuana; requiring certain signage. Effective date.

together with Engrossed House Amendments thereto, beg leave to report that we have had the same under consideration and herewith return the same with the following recommendations:

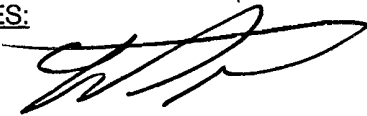
1. That the House recede from all Amendments.
2. That the attached Conference Committee Substitute be adopted.

Respectfully submitted,


SENATE CONFEREES:



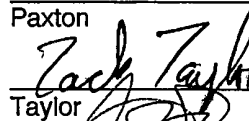
Stephens



Paxton



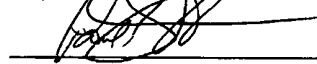
Lewwright



Taylor



Dossett (J.J.)



Rosino

HOUSE CONFEREES:

Conference Committee on Alcohol, Tobacco, and Controlled Substances

1 STATE OF OKLAHOMA

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

3 CONFERENCE COMMITTEE SUBSTITUTE
4 FOR ENGROSSED

5 SENATE BILL NO. 1737

6 By: Stephens, Pederson, and
7 Jett of the Senate

8 and

9 Patzkowsky, Hill, and Burns
10 of the House

11 CONFERENCE COMMITTEE SUBSTITUTE

12 An Act relating to medical marijuana; amending 63
13 O.S. 2021, Section 422, which relates to medical
14 marijuana commercial grower licenses; requiring all
15 medical marijuana commercial grower licensees to
16 register as an environmentally sensitive crop owner;
17 directing medical marijuana commercial grower
18 licensees to provide certain information when
19 registering; updating statutory language; amending 63
20 O.S. 2021, Section 427.21, which relates to medical
21 marijuana business advertising; requiring medical
22 marijuana commercial grower licensees to display
23 outdoor signage; stating requirements for signage
24 postage; providing for immediate revocation of
license; 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

1 its website in an easy-to-find location an application for a
2 commercial grower license. The application fee shall be Two
3 Thousand Five Hundred Dollars (\$2,500.00). A method of payment
4 shall be provided on the website of the Department. The State
5 Department of Health shall have ninety (90) days to review the
6 application; approve, reject or deny the application; and mail the
7 approval, rejection or denial letter stating the reasons for the
8 rejection or denial to the applicant.

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

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

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

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

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

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

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

24

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

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

1 Additionally, this report shall show total wholesale sales in
2 dollars. The State Department of Health shall have oversight and
3 auditing responsibilities to ensure that all marijuana being grown
4 by licensed commercial growers is accounted for.

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

7 E. Beginning on ~~the effective date of this act~~ November 1,
8 2021, licensed commercial growers shall be authorized to package and
9 sell pre-rolled marijuana to licensed medical marijuana
10 dispensaries. The products described in this subsection shall
11 contain only the ground parts of the marijuana plant and shall not
12 include marijuana concentrates or derivatives. The total net weight
13 of each pre-roll packaged and sold by medical marijuana commercial
14 growers shall not exceed one (1) gram. These products must be
15 tested, packaged and labeled in accordance with Oklahoma law and
16 rules promulgated by the State Commissioner of Health.

17 F. Beginning November 1, 2022, all medical marijuana commercial
18 grower licensees who operate an outdoor medical marijuana production
19 facility shall be required to register with the Oklahoma Department
20 of Agriculture, Food, and Forestry as an environmentally sensitive
21 crop owner. Registration shall provide notice to commercial and
22 private pesticide applicators of the locations of medical marijuana
23 crops and help minimize the potential for damaging pesticide drift.
24 Medical marijuana commercial grower licensees shall provide their

1 business name, address, Global Positioning System (GPS) coordinates
2 for all outdoor medical marijuana production facilities, and any
3 other information required by the Department when registering with
4 the Environmentally Sensitive Area Registry.

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

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

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

11 1. Promotes overconsumption;

12 2. Represents that the use of marijuana has curative or
13 therapeutic effects; or

14 3. Depicts a child or other person under legal age to consume
15 marijuana, or includes:

16 a. objects such as toys or cartoon or other characters,
17 which suggest the presence of a child, or any other
18 depiction designed in any manner to be especially
19 appealing to children or other persons under legal age
20 to consume marijuana, or

21 b. any manner or design that would be especially
22 appealing to children or other persons under eighteen
23 (18) years of age.

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

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

16 The required signage shall also comply with county regulations
17 and local ordinances related to the real property where the
18 commercial grow operation is located. Failure to erect the proper
19 signage within sixty (60) days after the renewal of each application
20 for a medical marijuana commercial grower license in accordance with
21 the provisions of this subsection shall result in the immediate
22 revocation of the medical marijuana commercial grower license. Upon
23 issuance of a temporary license, all medical marijuana commercial
24 grower licensees shall be required to comply with the provisions of

1 this subsection prior to the prelicensure inspection conducted by
2 the Authority.

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

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