

1 **SENATE FLOOR VERSION**

2 February 20, 2023

3 SENATE BILL NO. 635

By: Paxton

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5
6 An Act relating to Oklahoma Industrial Hemp Program;
7 amending 2 O.S. 2021, Section 3-402, as amended by
8 Section 1, Chapter 265, O.S.L. 2022 (2 O.S. Supp.
9 2022, Section 3-402), which relates to definitions;
10 defining term; requiring registration of hemp-derived
11 ingestible cannabinoid product with the State Board
12 of Agriculture; establishing conditions for
13 registration by applicant to the Board; providing for
14 promulgation of rules by Board for registration;
15 establishing requirements for labeling and packaging
16 necessary to sell hemp-derived ingestible cannabinoid
17 products in the state; allowing for hemp-derived
18 cannabinoids to be added to products under certain
19 conditions; prohibiting distribution of products if
20 misbranded or adulterated; allowing the Board to
21 issue and enforce stop sale, stop use, or removal or
22 products under certain conditions; providing for
23 codification; and providing an effective date.
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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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. 2022,
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. "Hemp-derived ingestible cannabinoid product" means a
16 product that contains cannabinoids that are extracted from hemp or
17 resin from hemp by physical or chemical means and is intended for
18 administration to a consumer including, but not limited to,
19 concentrates, oils, tinctures, edibles, pills, topicals, gels,
20 creams, and other derivative forms. The term shall also mean
21 products available for animal or human consumption, which may be in
22 the form of inhalation into the respiratory system and ingestion in
23 the gastrointestinal system, or tissue absorption. The term shall
24 not include seeds or seed-derived ingredients that are generally

1 recognized as safe by the United States Food and Drug
2 Administration;

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

9 ~~7.~~ 8. "Licensee" means a person who holds a valid Industrial
10 Hemp License to grow industrial hemp under the Oklahoma Industrial
11 Hemp Program. A licensee shall have the ability to remediate
12 noncompliant industrial hemp with a delta-9 tetrahydrocannabinol
13 concentration of not more than one percent (1.0%) on a dry-weight
14 basis for retesting as set forth by the Department as long as the
15 noncompliant industrial hemp has a delta-9 tetrahydrocannabinol
16 concentration of not more than three-tenths of one percent (0.3%) on
17 a dry-weight basis after retesting, and the option to remediate the
18 industrial hemp through the reasonable destruction of the flower or
19 shredding of the entire lot into a homogeneous biomass results in
20 the remediation of any part of the industrial hemp plant that is
21 above three-tenths of one percent (0.3%) on a dry-weight basis. All
22 noncompliant hemp must be tracked and documented. The State Board
23 of Agriculture shall have jurisdiction over such remediation, which
24 includes, but is not limited to, destruction through composting,

1 burning, or other regulated disposal methods if the industrial hemp
2 is not remediated into a final product before processing below
3 three-tenths of one percent (0.3%) on a dry-weight basis;

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

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

10 SECTION 2. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 3-412 of Title 2, unless there
12 is created a duplication in numbering, reads as follows:

13 A. Each hemp-derived ingestible cannabinoid product shall be
14 registered with the State Board of Agriculture prior to distribution
15 in this state by the manufacturer. The application shall be
16 submitted to the State Department of Agriculture on a registration
17 form provided by the Board.

18 B. All registration shall expire on December 31 of the year for
19 which the hemp-derived ingestible cannabinoid product is registered.

20 C. The applicant shall submit with the application for
21 registration a copy of the label and a copy of all advertisements,
22 brochures, posters, and television and radio announcements to be
23 used in promoting the sale of the hemp-derived ingestible
24 cannabinoid product.

1 D. If the Board discovers any hemp-derived ingestible
2 cannabinoid product that is not registered, the registration was
3 falsely submitted, or the registration was late, the Board may
4 assess an administrative penalty. The penalty shall be assessed per
5 offending product.

6 E. The State Board of Agriculture may promulgate rules
7 containing the requirements for registration, registration fees,
8 label requirements, and any other rules necessary for the
9 implementation of this section.

10 SECTION 3. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 3-413 of Title 2, unless there
12 is created a duplication in numbering, reads as follows:

13 A. Each container of hemp-derived ingestible cannabinoid
14 product shall be labeled on the face or display side in a readable
15 and conspicuous form to show at a minimum the following information:

- 16 1. The new weight of the contents;
- 17 2. The name of the product;
- 18 3. The guaranteed analysis;
- 19 4. Milligrams per serving of cannabidiol (CBD),
20 tetrahydrocannabinol (THC), or any other marketed cannabinoid, if
21 applicable;
- 22 5. List of all ingredients;
- 23 6. A statement of the product's purpose;
- 24 7. Lot or batch number;

- 1 8. Expiration or best-by date;
- 2 9. Adequate directions for use;
- 3 10. A web address, QR code, or other scannable barcode
- 4 accessing the laboratory testing reports;
- 5 11. Country or state of origin where hemp is sourced;
- 6 12. Servings per package;
- 7 13. Means for reporting adverse events; and
- 8 14. The name, address, and telephone number of the approved
- 9 applicant to produce the products.

10 B. Bulk lot labels shall be provided to the purchaser by
11 attaching a copy of the label to the invoice that shall be furnished
12 to the purchaser.

13 C. The applicant shall submit a current label and all
14 certificates of analysis for the hemp-derived ingestible cannabinoid
15 products with the application.

16 D. The State Board of Agriculture may require proof of any
17 claims made by the registrant for any hemp-derived ingestible
18 cannabinoid product. If no claims are made, the Board may require
19 proof of usefulness and value of the hemp-derived ingestible
20 cannabinoid product.

21 E. A hemp-derived cannabinoid product shall not imitate any
22 packaging used for products typically marketed to children.

23 F. All packaging shall be child resistant.

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1 G. Packaging that contains more than one (1) serving shall be
2 resealable.

3 H. If the Board approved the guaranteed analysis and listing of
4 a hemp-derived ingestible cannabinoid product, the product shall be
5 subject to inspection and analysis.

6 I. The Board may prescribe methods and procedures of inspection
7 and analysis of hemp-derived ingestible cannabinoid products. The
8 Board may stipulate, by rule, the quantities that are allowed in a
9 hemp-derived ingestible cannabinoid product.

10 SECTION 4. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 3-414 of Title 2, unless there
12 is created a duplication in numbering, reads as follows:

13 A. A hemp-derived cannabinoid may be added to an ingestible
14 product during the manufacturing process or prior to retail sale at
15 a food service establishment.

16 B. The hemp-derived cannabinoid shall be obtained from a
17 licensed and approved source.

18 C. The food processor or food service establishment shall
19 obtain a valid certificate of analysis from the licensed and
20 approved source and provide a copy upon request or inspection.

21 SECTION 5. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 3-415 of Title 2, unless there
23 is created a duplication in numbering, reads as follows:

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1 A. No person shall distribute misbranded hemp-derived
2 ingestible cannabinoid product. A hemp-deprived ingestible
3 cannabinoid product shall be considered misbranded if:

4 1. The labeling is false or misleading;

5 2. The product is distributed under the name of another hemp-
6 derived ingestible cannabinoid product; or

7 3. The product is not labeled in compliance with the rules of
8 the State Board of Agriculture.

9 B. No person shall distribute an adulterated hemp-derived
10 ingestible cannabinoid product. A hemp-derived ingestible
11 cannabinoid product shall be considered adulterated if:

12 1. The product contains any deleterious or harmful substance in
13 sufficient amounts to render the product injurious to beneficial
14 plant life, animals, humans, aquatic life, soil, or water when
15 applied in accordance with directions for use on the label;

16 2. Adequate warning statements or directions for use, which may
17 be necessary to protect plant life, animals, humans, aquatic life,
18 soil, or water, are not shown upon the label; or

19 3. The product's composition falls below or differs from that
20 which the product is purported to possess by labeling.

21 SECTION 6. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 3-416 of Title 2, unless there
23 is created a duplication in numbering, reads as follows:

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1 A. The State Board of Agriculture may issue and enforce a stop
2 sale, stop use, or removal order to the owner or custodian of any
3 lot of hemp-derived ingestible cannabinoid product. The owner or
4 custodian shall hold the lot of hemp-derived ingestible cannabinoid
5 product until the time when the product or labeling complies with
6 this act.

7 B. It shall be a violation of this act for any person to:

8 1. Distribute a hemp-derived ingestible cannabinoid product
9 that is not registered with the State Board of Agriculture;

10 2. Distribute a hemp-derived ingestible cannabinoid product
11 that is not labeled in accordance with the requirements of the
12 Board;

13 3. Distribute a hemp-derived ingestible cannabinoid product
14 that is misbranded;

15 4. Distribute a hemp-derived ingestible cannabinoid product
16 that is adulterated;

17 5. Violate any provision of the requirements of the Board; or

18 6. Fail to comply with a stop sale, stop use, or removal order.

19 SECTION 7. This act shall become effective November 1, 2023.

20 COMMITTEE REPORT BY: COMMITTEE ON AGRICULTURE AND RURAL AFFAIRS
21 February 20, 2023 - DO PASS

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