

BILL SUMMARY
2nd Session of the 57th Legislature

Bill No.:	HB 1317
Version:	FULLPCS1
Request Number:	NA
Author:	Rep. Nichols
Date:	2/21/2020
Impact:	Tax Commission:

Apportionment Change
Increase to After School Fund: \$5.0 Million
Decrease to General Revenue Fund: (\$3,750,000)
Decrease to Health Department: (\$1,250,000)

Research Analysis

HB1317, as proposed committee substitute, creates the Oklahoma Expanded Learning Act. HB1317 creates within the State Treasury a revolving fund designated the Oklahoma Expanded Learning Revolving Fund. The fund shall consist of 10% of monies designated for common education from the tax on retail medical marijuana sales, federal funds, donations, grants, and gifts from any public or private source. HB1317 directs the State Board of Education to annually expend the funds for purposes of providing grants to public schools to assist low-income student and their families by providing out-of-school hours services, implement research-based programs, and assist students to graduate college-, career-, or citizen-ready, and support professional development opportunities through programs. HB1317 directs the State Board of Education to determine application criteria for grants.

Prepared By: Anna Rouw

Fiscal Analysis

Analysis provided by the Tax Commission (based on HB 2942):

HB 2942 proposes new law to be codified in 70 O.S. § 9001 creating the After School Programs Revolving Fund (“ASPRF”). This measure also proposes amendment to 63 O.S. § 426 altering the apportionment of the seven percent (7%) excise tax on medical marijuana.

Net Revenue Impact
FY 21:

\$5,000,000 increase to the After School Programs Revolving Fund
\$3,750,000 decrease to the General Revenue Fund
\$1,250,000 decrease to the Department of Health (for drug and alcohol rehabilitation)

In the first six months of FY 2020 medical marijuana excise tax collections have averaged \$2,899,157.74 per month. Based on this monthly average, medical marijuana excise tax collections are estimated to be \$34,789,892.88 (\$2,899,157.74/mo. X 12) for FY 2020. The OMMA originally budgeted \$14,565,642 for FY 2020 but later increased their budget to \$24,821,601. Assuming the OMMA budget does not change again and that sales remain constant there will be a \$9,968,291.88 surplus after the OMMA budget is funded (\$34,789,892.88-\$24,821,601= \$9,968,291.88). Under this proposed measure, the next five million dollars (\$5,000,000) will be apportioned to the ASPRF. Under current law this five million dollars (\$5,000,000) would be apportioned seventy-five percent (75%) to the General Revenue Fund (\$3,750,000) and twenty-five percent (25%) to the Oklahoma State Department of Health and earmarked for drug and alcohol rehabilitation (\$1,250,000). Assuming sales of medical marijuana and the OMMA budget are similar to FY 2020, the impact in FY 2021 will be an increase of five million dollars (\$5,000,000) to the ASPRF, a decrease of three million seven hundred and fifty thousand dollars (\$3,750,000) to the General Revenue Fund and a decrease of one million two hundred and fifty thousand dollars (\$1,250,000) to the Department of Health and earmarked for drug and alcohol rehabilitation.

Prepared By: Mark Tygret

Other Considerations

None.