

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 3959</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>9087</b>
<b>Author:</b>	<b>Fetgatter</b>
<b>Date:</b>	<b>2/14/2020</b>
	<b>Impact:</b>

**2,492,000 increase to the Oklahoma Medical Marijuana Authority (for drug and alcohol rehabilitation)**  
**\$2,492,000 decrease to the Department of Health (for drug and alcohol rehabilitation)**

**Research Analysis**

The proposed committee substitute for HB 3959 separates the Oklahoma Medical Marijuana Authority from the State Department of Health beginning July 1, 2021, and establishes it as its own state agency. The measure subsequently removes all language giving the Department of Health authoritative power and replaces it with the authority when applicable.

The authority's executive director will be appointed by the governor and will have a board with nine members. Board members are exempt from the dual-office-holding prohibitions.

Finally, the measure clarifies language regarding medical marijuana dispensary license applications.

Prepared By: Emily McPherson

**Fiscal Analysis**

**FY21:**

**\$2,492,000 increase to the Oklahoma Medical Marijuana Authority (for drug and alcohol rehabilitation)**  
**\$2,492,000 decrease to the Department of Health (for drug and alcohol rehabilitation)**

HB 3959 proposes new law creating the Oklahoma Medical Marijuana Authority as a separate state agency. This measure also proposes amendment to 63 O.S. §§ 420-430 updating the medical marijuana statutes to reflect the OMMA becoming its own agency as proposed by this measure.

Sections 1 and 2 of HB 3959 propose new laws removing the Oklahoma Medical Marijuana Authority ("OMMA") as a division within the State Department of Health ("SDOH") and form the OMMA as a separate and distinct agency of the state and create the OMMA Board.

Sections 3-8 and 10-27 of HB 3959 propose to amend medical marijuana statutes to reflect the changes proposed in Sections 1 and 2 of this measure and to clean up the language of the

statutes. Specifically, this measure proposes referring to the OMMA in place of the SDOH in medical marijuana statutes.

Section 9 of HB 3959 proposes to update the apportionment of medical marijuana funds to reflect the OMMA becoming a separate state agency as proposed in Sections 1 and 2 of this measure. The seven percent (7%) excise tax on medical marijuana is apportioned to the OMMA until the OMMA budgeted amount for running the regulatory office is met. Any revenues received that exceed the budgeted amount are apportioned seventy-five percent (75%) to the General Revenue Fund and twenty-five percent (25%) to the SDOH and earmarked for drug and alcohol rehabilitation. HB 3959 proposes changing the apportionment of the seven percent (7%) excise tax on medical marijuana such that the twenty-five percent (25%) currently apportioned to the SDOH and earmarked for drug and alcohol rehabilitation shall be apportioned to the OMMA and earmarked for drug and alcohol rehabilitation.

Net            Revenue  
Impact  
FY21

\$2,492,000 increase to the Oklahoma Medical Marijuana Authority (for drug and alcohol rehabilitation)  
\$2,492,000 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 \$9,968,29.88 surplus after the OMMA budget is funded (\$34,789,892.88-\$24,821,601=\$9,968,291.88). Under this proposed measure, the twenty-five percent (25%) of this surplus that would have gone to the SDOH will go to the OMMA for drug and alcohol rehabilitation. Thus, there will be an increase of two million four hundred and ninety-two thousand dollars (\$2,492,000) to the OMMA and a like decrease to the SDOH.

Prepared By: Mark Tygret

### **Other Considerations**

None.