

OKLAHOMA STATE SENATE
JOINT
COMMITTEE REPORT

May 23, 2023

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET

SB18

By: Thompson (Roger) et al of the Senate and Wallace et al of the House

Title: Public finance. Specifying certain duty of Director of Office of Management and Enterprise Services. Emergency.

Recommendation: **DO PASS AS AMENDED BY CS**

AYES: 18

Brooks, Burns, Dugger, Hall, Haste, Howard, Jech, Matthews, Montgomery, Newhouse, Prieto, Pugh, Rader, Rosino, Stephens, Thompson (K), Thompson (R), Woods

NAYS: 3

Floyd, Hicks, Kirt

CONSTITUTIONAL PRIVILEGE: 0

Senator Roger Thompson, Chair

Committee Substitute, motion by Senator Rosino - Adopted (Request No: 52)

OKLAHOMA HOUSE OF REPRESENTATIVES
COMMITTEE REPORT

JOINT COMMITTEE ON APPROPRIATIONS AND BUDGET COMMITTEE

SB18

By: Wallace et al of the House

Thompson (Roger) et al of the Senate

Title: Public finance. Specifying certain duty of Director of Office of Management and Enterprise Services. Emergency.

Coauthored By:

Recommendation: **DO PASS AS AMENDED BY CS**

Amendments:

1. Committee Substitute Attached


Chr.
Representative Kevin Wallace

YEAS: 36

Baker, Bashore, Bennett, Blancett, Boatman, Boles, Echols, Fetgatter, Ford, Goodwin, Hasenbeck, Hilbert, Hill, Kendrix, Kerbs, Lawson, Lepak, Lowe (D), Luttrell, Martinez, McBride, McEntire, Miller, Moore, Munson, Newton, O'Donnell, Osburn, Pfeiffer, Provenzano, Ranson, Sterling, Strom, Vancuren, Wallace, West (T)

NAYS: 0

CONSTITUTIONAL PRIVILEGE: 0

1 STATE OF OKLAHOMA

2 1st Extraordinary Session of the 59th Legislature (2023)

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 18x

6 By: Thompson (Roger) and Hall
7 of the Senate

8 and

9 Wallace and Martinez of the
10 House

11 COMMITTEE SUBSTITUTE

12 An Act relating to medical marijuana; amending 63
13 O.S. 2021, Sections 426, as last amended by Section 1
14 of Enrolled House Bill No. 2095 of the 1st Session of
15 the 59th Oklahoma Legislature (63 O.S. Supp. 2022,
16 Section 426) and 427.5, which relate to medical
17 marijuana; deleting certain apportionments; modifying
18 the Oklahoma Medical Marijuana Authority Revolving
19 Fund; limiting funding source; requiring legislative
20 appropriation; creating the Medical Marijuana Tax
21 Fund; providing for sources of funds; requiring
22 legislative appropriation; providing for
23 codification; providing an effective date; and
24 declaring an emergency.

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

SECTION 1. AMENDATORY 63 O.S. 2021, Section 426, as last
amended by Section 1 of Enrolled House Bill No. 2095 of the 1st
Session of the 59th Oklahoma Legislature (63 O.S. Supp. 2022,
Section 426), is amended to read as follows:

1 Section 426. A. The tax on retail medical marijuana sales
2 shall be established at seven percent (7%) of the gross amount
3 received by the seller.

4 B. This tax shall be collected at the point of sale. Except as
5 provided for in subsection D, tax proceeds shall be deposited into
6 the Medical Marijuana Tax Fund created in Section 3 of this act ~~will~~
7 ~~be applied primarily to finance the regulatory office.~~

8 ~~C. Except as provided for in subsection D of this section, if~~
9 ~~proceeds from the levy authorized by subsection A of this section~~
10 ~~exceed the budgeted amount for running the regulatory office, any~~
11 ~~surplus shall be apportioned with seventy-five percent (75%) going~~
12 ~~to the General Revenue Fund and may only be expended for common~~
13 ~~education including funding redbud school grants pursuant to Section~~
14 ~~3-104 of Title 70 of the Oklahoma Statutes. Twenty-five percent~~
15 ~~(25%) shall be apportioned to the State Department of Health and~~
16 ~~earmarked for drug and alcohol rehabilitation and prevention.~~

17 ~~D.~~ Pursuant to Section 255.2 of Title 68 of the Oklahoma
18 Statutes, the Oklahoma Tax Commission shall have authority to
19 assess, collect and enforce the tax specified in subsection A of
20 this section including any interest and penalty thereon.

21 ~~E.~~ D. For fiscal year 2022, proceeds from the levy authorized
22 by subsection A of this section shall be apportioned as follows:

23 1. The first Sixty-five Million Dollars (\$65,000,000.00) shall
24 be apportioned as follows:

1 a. fifty-nine and twenty-three hundredths percent
2 (59.23%) to the State Public Common School Building
3 Equalization Fund,

4 b. thirty-four and sixty-two hundredths percent (34.62%)
5 to the Oklahoma Medical Marijuana Authority, a
6 division within the ~~Oklahoma~~ State Department of
7 Health, and

8 c. six and fifteen hundredths percent (6.15%) to the
9 ~~Oklahoma~~ State Department of Health and earmarked for
10 drug and alcohol rehabilitation; and

11 2. Any surplus collections shall be apportioned to the General
12 Revenue Fund of the State Treasury.

13 ~~F.~~ E. If any medical marijuana business licensee intentionally
14 does not remit the taxes as required by the provisions of this
15 section or the provisions of Section 1354 of Title 68 of the
16 Oklahoma Statutes, the Authority shall permanently revoke the
17 medical marijuana business license of the business licensee and the
18 business licensee shall be permanently ineligible to receive any
19 other type of medical marijuana business license issued by the
20 Authority, including licenses for a dispensary, commercial grower
21 operation, processing facility, transporter, research, education
22 facility, and waste disposal facility.

23 SECTION 2. AMENDATORY 63 O.S. 2021, Section 427.5, is
24 amended to read as follows:

1 Section 427.5. There is hereby created in the State Treasury a
2 ~~revolving fund for the State Department of Health~~ Oklahoma Medical
3 Marijuana Authority to be designated the "Oklahoma Medical Marijuana
4 Authority ~~Revolving~~ Fund". The fund shall be a continuing fund, not
5 subject to fiscal year limitations, and shall consist of all monies
6 received by the ~~Department~~ Authority from fees and fines collected
7 pursuant to ~~this act and all monies received by the Oklahoma Tax~~
8 ~~Commission from tax proceeds collected pursuant to Section 426 of~~
9 ~~Title 63 of the Oklahoma Statutes. All monies accruing to the~~
10 ~~credit of the fund are hereby appropriated and may be budgeted and~~
11 ~~expended by the Department for the purposes set forth in Section 426~~
12 ~~of Title 63 of the Oklahoma Statutes. Expenditures from the fund~~
13 ~~shall be made upon warrants issued by the State Treasurer against~~
14 ~~claims filed as prescribed by law with the Director of the Office of~~
15 ~~Management and Enterprise Services for approval and payment~~ the
16 Oklahoma Medical Marijuana and Patient Protection Act. All monies
17 accruing to the credit of the fund shall be appropriated at the
18 discretion of the Legislature for the purpose of funding the
19 Oklahoma Medical Marijuana Authority.

20 SECTION 3. NEW LAW A new section of law to be codified
21 in the Oklahoma Statutes as Section 427.5a of Title 63, unless there
22 is created a duplication in numbering, reads as follows:

23 There is hereby created in the State Treasury a fund for the
24 Oklahoma Medical Marijuana Authority to be designated the "Medical

1 Marijuana Tax Fund". The fund shall be a continuing fund, not
2 subject to fiscal year limitations, and shall consist of all monies
3 received by the Authority from tax proceeds collected pursuant to
4 Section 426 of Title 63 of the Oklahoma Statutes. All monies
5 accruing to the credit of the fund shall be appropriated at the
6 discretion of the Legislature for the purpose of funding substance
7 abuse programs and common education including but not limited to
8 funding redbud school grants pursuant to Section 3-104 of Title 70
9 of the Oklahoma Statutes.

10 SECTION 4. This act shall become effective July 1, 2023.

11 SECTION 5. It being immediately necessary for the preservation
12 of the public peace, health or safety, an emergency is hereby
13 declared to exist, by reason whereof this act shall take effect and
14 be in full force from and after its passage and approval.

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