

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4

# A Bill

HOUSE BILL 2239

5 By: Representative Love  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND ARKANSAS CONSTITUTION, AMENDMENT 98,  
9 ALSO KNOWN AS THE "ARKANSAS MEDICAL MARIJUANA  
10 AMENDMENT OF 2016" REGARDING THE TAXATION AND  
11 DISTRIBUTION OF PROCEEDS; TO CREATE THE MEDICAL  
12 MARIJUANA COMMISSION FUND AND THE ARKANSAS MEDICAL  
13 MARIJUANA IMPLEMENTATION AND OPERATIONS FUND; TO  
14 CREATE THE GENERAL ASSEMBLY PROMISE SCHOLARSHIP  
15 PROGRAM; TO PROVIDE FUNDS TO EVERY CHILD BORN IN  
16 ARKANSAS TO BE USED FOR COLLEGE TUITION; TO PROVIDE  
17 MEDICAL MARIJUANA TAX FUNDS FOR THE GENERAL ASSEMBLY  
18 PROMISE SCHOLARSHIP PROGRAM AND THE ARKANSAS BETTER  
19 CHANCE PROGRAM; AND FOR OTHER PURPOSES.  
20

## Subtitle

21  
22 TO AMEND THE ARKANSAS MEDICAL MARIJUANA  
23 AMENDMENT OF 2016 REGARDING THE TAXATION  
24 AND DISTRIBUTION OF PROCEEDS; AND TO  
25 CREATE THE GENERAL ASSEMBLY PROMISE  
26 SCHOLARSHIP PROGRAM.  
27  
28  
29

30 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
31

32 SECTION 1. Pursuant to § 23 of Arkansas Constitution, Amendment 98,  
33 also known as the "Arkansas Medical Marijuana Amendment of 2016", Arkansas  
34 Constitution, Amendment 98, § 17, is amended to read as follows:

35 § 17. Taxation and distribution of proceeds.

36 (a) The sale of usable marijuana is subject to all state and local



1 sales taxes at the same rate as other goods.

2 (b) The ~~states~~ state sales tax revenues received by the Department of  
3 Finance and Administration from the sale of usable marijuana under this  
4 amendment shall be distributed as follows:

5 (1) All moneys received as part of this amendment are designated  
6 as special revenue and the funds collected shall be deposited in the State  
7 Treasury and credited to the Arkansas Medical Marijuana Implementation and  
8 Operations Fund;

9 (2) All moneys received as part of this amendment prior to the  
10 effective date of this section shall be immediately transferred to the  
11 Arkansas Medical Marijuana Implementation and Operations Fund upon the  
12 effective date of this section;

13 (3) In order for the Chief Fiscal Officer of the State to  
14 determine the expenses that state agencies incurred due to the passage of  
15 this amendment, the following state entities shall submit a report to the  
16 Chief Fiscal Officer of the State no later than May 1 of each year of the  
17 projected expenses for the next fiscal year, including without limitation  
18 expenses as set out in subdivision (b)(4) of this section:

19 (A) The Alcoholic Beverage Control Division of the  
20 Department of Finance and Administration;

21 (B) The Department of Health;

22 (C) The Medical Marijuana Commission; and

23 (D) Any other state agency that incurs implementation,  
24 administration, or enforcement expenses related to this amendment; and

25 (4)(A) From time to time, the Chief Fiscal Officer of the State  
26 shall transfer on his or her books and those of the Treasurer of State and  
27 the Auditor of State the amounts as set out in subdivision (b)(3) of this  
28 section or so much as is available in proportion to the amount identified by  
29 each agency in subdivision (b)(3) of this section from the Arkansas Medical  
30 Marijuana Implementation and Operations Fund to the Miscellaneous Agencies  
31 Fund Account for the Alcoholic Beverage Control Division of the Department of  
32 Finance and Administration, the paying account as determined by the Chief  
33 Fiscal Officer for the Department of Health, the Medical Marijuana Commission  
34 Fund, and any other fund necessary to the implementation, administration, or  
35 enforcement of this amendment to pay for or reimburse personal services,  
36 operating expenses, professional fees, equipment, monitoring, auditing, and

1 other miscellaneous expenses of this amendment.

2 (B) At the end of each fiscal year, any unobligated  
 3 balances of the amounts transferred shall be deducted from the amount  
 4 transferred in the next fiscal year as authorized in subdivision (b)(4)(A) of  
 5 this section.

6 (C) Any unanticipated expenses or expenses over the amount  
 7 transferred may be added from time to time to the transfer amount authorized  
 8 in subdivision (b)(4)(A) of this section.

9 (D) The Department of Finance and Administration shall  
 10 report at the end of the fiscal year to the Legislative Council or the Joint  
 11 Budget Committee if during a legislative session the following information:

12 (i) The total annual amount received as a result of  
 13 this amendment;

14 (ii) The amount transferred to each agency; and

15 (iii) Copies of the report submitted to the Chief  
 16 Fiscal Officer of the State identifying estimated expenses as set out in  
 17 subdivision (b)(3) of this section.

18 (c) After the transfer described in subsection (b) of this section,  
 19 the amounts remaining in the Arkansas Medical Marijuana Implementation and  
 20 Operations Fund shall be distributed as follows:

21 ~~(1) Five percent (5%) to the Department of Health paying account~~  
 22 ~~or its successor fund or fund account;~~

23 ~~(2) Two percent (2%) to the Miscellaneous Agencies Fund or its~~  
 24 ~~successor fund or fund account to be used exclusively by the Department of~~  
 25 ~~Finance and Administration—Alcoholic Beverage Control Administration~~  
 26 ~~Division or its successor;~~

27 ~~(3) Two percent (2%) to the Miscellaneous Agencies Fund or its~~  
 28 ~~successor fund or fund account to be used exclusively by the Department of~~  
 29 ~~Finance and Administration—Alcoholic Beverage Control Enforcement Division~~  
 30 ~~or its successor;~~

31 ~~(4)(A) One percent (1%) to a special revenue account credited to~~  
 32 ~~the Medical Marijuana Commission Fund or its successor fund or fund account~~  
 33 ~~to be used exclusively by the Medical Marijuana Commission.~~

34 ~~(B) The General Assembly shall by law created the Medical~~  
 35 ~~Marijuana Commission Fund no later than July 1, 2017;~~

36 ~~(5)(A)(1)(A) Ten percent (10%) to the Skills Development Fund or~~

1 its successor fund or fund account, to be used exclusively by the Office of  
 2 Skills Development of the Department of Career Education or its successor for  
 3 the development and implementation of workforce training programs.

4 (B) The Office of Skills Development of the Department of  
 5 Career Education or its successor may use revenues received under subdivision  
 6 ~~(b)(6)(A)~~ (c)(1)(A) of this section to:

7 (i) Supplement or enhance existing programs,  
 8 including without limitation grant programs; or

9 (ii) Establish new programs, including without  
 10 limitation grant programs.

11 (C) If the Office of Skills Development of the Department  
 12 of Career Education or its successor establishes a new program under  
 13 subdivision ~~(b)(6)(B)~~ (c)(1)(B) of this section, ~~it~~ the Office of Skills  
 14 Development of the Department of Career Education shall promulgate rules to  
 15 implement the program;

16 ~~(6)(A)(2)(A)~~ Fifty percent (50%) to a special revenue account  
 17 credited to the Vocational and Technical Training Special Revenue Fund  
 18 Department of Career Education Public School Fund Account or its successor  
 19 fund or fund account, to be used exclusively by the ~~Department of Finance and~~  
 20 ~~Administration~~ Department of Career Education or its successor for vocational  
 21 start-up grants to: ~~technical institutes and vocational technical schools for~~  
 22 ~~personal services and operating expenses, scholarships, research, development~~  
 23 ~~and delivery of education coursework and math and science coursework, land~~  
 24 ~~acquisition, equipment acquisition, infrastructure costs, including without~~  
 25 ~~limitation site development costs, construction, improvements, landscaping,~~  
 26 ~~renovation, dormitory renovation, major maintenance, and the building of~~  
 27 ~~roads and parking lots~~

28 (i) Start and upgrade career and technical programs,  
 29 including without limitation vocational programs;

30 (ii) Support the minimum required equipment to meet  
 31 program standards; and

32 (iii) Support short-term adult skills training  
 33 classes.

34 ~~(B) The General Assembly shall by law create the Vocational and~~  
 35 ~~Technical Training Special Revenue Fund no later than July 1, 2017.~~

36 ~~(C) The Department of Finance and Administration~~ Department of

1 Career Education or its successor shall promulgate rules to implement the  
 2 grant program described in this subdivision ~~(b)(7)~~ (c)(2) by July 1, 2017;

3 (3) Two and five-tenths percent (2.5%) to the General Assembly  
 4 Promise Scholarship Program Fund or its successor fund or fund account to be  
 5 used exclusively for the General Assembly Promise Scholarship Program;

6 (4) Two and five-tenths percent (2.5%) to the Department of  
 7 Education Public School Fund Account to be used exclusively for the Arkansas  
 8 Better Chance Program; and

9 ~~(7)(5) Thirty percent (30%)~~ Thirty-five percent (35%) to the  
 10 General Revenue Fund.

11 ~~(e)(d)~~ An entity receiving a grant of state sales tax revenue under  
 12 subsection (b) or subsection (c) of this section may make one (1) or more  
 13 successive grant applications for the same project or projects.

14  
 15 SECTION 2. Arkansas Code Title 6 is amended to add an additional  
 16 chapter to read as follows:

17 Chapter 86 – General Assembly Promise Scholarship Program

18  
 19 6-86-101. Creation – Administration – Purpose.

20 There is created the General Assembly Promise Scholarship Program to be  
 21 developed and administered by the Treasurer of State to provide a financial  
 22 contribution to an account for each person born in this state on and after  
 23 January 1, 2018, whose parent or legal guardian opts into the program.

24  
 25 6-86-102. Definition.

26 As used in this chapter:

27 (1)(A) “Foster care” means the care of a child on the basis of  
 28 twenty-four (24) hours a day away from the home of the child’s parent.

29 (B) The foster care may be provided by:

30 (i) A relative of the child;

31 (ii) An individual not related to the child;

32 (iii) A parent of the child if the foster care is  
 33 provided by reason of a court-ordered placement and not by virtue of the  
 34 parent-child relationship;

35 (iv) A group home;

36 (v) A state agency;

1                   (vi) A residential facility; or

2                   (vii) Any other entity.

3                   (2) "Foster care" does not include placement of a foster-care  
4 recipient with any individual or entity under subdivision (1)(B)(ii) of this  
5 section by a parent if a child welfare agency or court is not involved with  
6 the parent or foster-care recipient through an open case or investigation.

7  
8                   6-86-103. General Assembly Promise Scholarship Program.

9                   (a)(1) The General Assembly Promise Scholarship Program shall provide  
10 a financial contribution to an account for each person born in this state on  
11 and after January 1, 2018, whose parent or legal guardian opts into the  
12 program on a timeline developed by the Treasurer of State.

13                   (2) A person in foster care may opt into the program under  
14 subdivision (a)(1) of this section at any time.

15                   (b)(1) A person on whose behalf a financial contribution was made  
16 under subdivision (a)(1) of this section may access funds from the account:

17                   (A) Only for the purpose of financing the person's cost of  
18 attendance at an institution of higher education in this state; and

19                   (B) Until the person reaches twenty-two (22) years of age.

20                   (2) The funds a person may access under subdivision (b)(1) of  
21 this section are:

22                   (A) The original contribution made on behalf of the person  
23 under subdivision (a)(1) of this section; and

24                   (B) Any investment revenue derived from the original  
25 contribution.

26                   (3) If a person does not access the funds before he or she  
27 reaches twenty-two (22) years of age, the funds shall be forfeited and become  
28 part of the funds available under § 6-86-105(a)(1) for financial  
29 contributions.

30                   (c) When a person elects to access the funds from the account to  
31 finance the person's cost of attendance at an institution of higher education  
32 in this state, the funds shall be disbursed to the institution of higher  
33 education in which the person is enrolled.

34                   (d)(1) The disbursement of funds under this chapter is subject to the  
35 prohibition under § 6-80-105 against using public funds in a student  
36 financial package in excess of the recognized cost of attendance at the

1 institution of higher education in this state where the student is enrolled.

2 (2) Any funds under this chapter determined to be excess funds  
3 shall be forfeited and become part of the funds available under § 6-86-  
4 105(a)(1) for financial contributions.

5  
6 6-86-104. Account administration.

7 The Treasurer of State may:

8 (1) Enter into agreements with financial institutions or other  
9 entities to:

10 (A) Manage and administer the accounts under § 6-86-  
11 103(a)(1); and

12 (B) Perform other services necessary to implement this  
13 chapter; and

14 (2) Conduct outreach and engage in educational activities with  
15 the general public to encourage financial literacy.

16  
17 6-86-105. Contributions.

18 (a) Annually by February 15, the Treasurer of State shall:

19 (1) Based on the amount of funds available, determine the amount  
20 of the financial contribution to be made for each person who opted into the  
21 General Assembly Promise Scholarship Program under § 6-86-103(a) during the  
22 previous year; and

23 (2) Make the financial contribution for each person who opted  
24 into the program under § 6-86-103(a) during the previous year.

25 (b)(1) The amount of the financial contribution shall be the same for  
26 each person who opted into the program under § 6-86-103(a) during a calendar  
27 year.

28 (2) The amount of the annual financial contribution for each  
29 person who opted into the program shall not exceed one hundred dollars  
30 (\$100).

31  
32 6-86-106. Information sharing.

33 The Department of Health and the Department of Human Services shall  
34 share information with the Treasurer of State necessary for the Treasurer of  
35 State to implement this chapter, including without limitation records related  
36 to:

- 1           (1) The births of children in this state; and
- 2           (2) Foster children in this state.

3

4           6-86-107. Funding.

5           (a) The Treasurer of State may accept gifts, grants, donations, and  
 6 bequests on behalf of the General Assembly Promise Scholarship Program to  
 7 support and provide funding assistance to the program.

8           (b) Funds received under this chapter shall be deposited into the  
 9 General Assembly Promise Scholarship Program Fund to be used to support and  
 10 provide funding assistance to the program and to provide funds to every child  
 11 born in the State of Arkansas to be used for college tuition.

12

13          6-86-108. Report.

14          (a) The Treasurer of State shall submit annually by March 15 a report  
 15 on the operation and financial condition of the General Assembly Promise  
 16 Scholarship Program to:

- 17           (1) The Senate Committee on Education; and
- 18           (2) The House Committee on Education.

19          (b) The report under subsection (a) of this section may be submitted  
 20 electronically.

21

22          6-86-109. Rules.

23          The Treasurer of State shall adopt rules to implement this chapter.

24

25          SECTION 3. Arkansas Code § 19-5-305(a)(2), concerning the Department  
 26 of Career Education Public School Fund Account, is amended to read as  
 27 follows:

28           (2) Department of Career Education Public School Fund Account.  
 29 The Department of Career Education Public School Fund Account shall be used  
 30 for grants and aids for the programs administered by the Department of Career  
 31 Education consisting of, but not limited to:

- 32           (A) General adult education grants;
- 33           (B) Adult basic education grants;
- 34           (C) Manpower development and training grants;
- 35           (D) Vocational-technical and adult education, including

36 without limitation starting and upgrading career and technical programs as



1 described in Arkansas Constitution, Amendment 98, § 17(c)(2); and

2 (E) Such other grants and aids as may be authorized by law  
3 for disbursement by the Department of Career Education; and

4  
5 SECTION 4. Arkansas Code § 19-6-301, concerning the enumeration of  
6 special revenues, is amended to add an additional subdivision to read as  
7 follows:

8 (255) All sales tax revenues collected by the Department of Finance  
9 and Administration from the sale of usable marijuana under the Arkansas  
10 Medical Marijuana Amendment of 2016.

11  
12 SECTION 5. Arkansas Code § 19-6-830(b), concerning the Skills  
13 Development Fund, is amended to read as follows:

14 (b) The fund shall consist of:

15 (1) Moneys obtained from private grants or other sources that  
16 are designated to be credited to the fund; ~~and~~

17 (2) Ten percent (10%) of the funds distributed under Arkansas  
18 Constitution, Amendment 98, § 17(c); and

19 (3) Any other revenues as may be authorized by law.

20  
21 SECTION 6. Arkansas Code Title 19, Chapter 6, Subchapter 8, is amended  
22 to add additional sections to read as follows:

23 19-6-833. Arkansas Medical Marijuana Implementation and Operations  
24 Fund.

25 (a) There is created on the books of the Treasurer of State, the  
26 Auditor of State, and the Chief Fiscal Officer of the State a special revenue  
27 fund to be known as the "Arkansas Medical Marijuana Implementation and  
28 Operations Fund".

29 (b) The fund shall consist of:

30 (1) Moneys obtained pursuant to Arkansas Constitution, Amendment  
31 98, § 17, from taxation of medical marijuana; and

32 (2) Any other revenues as may be authorized by law.

33 (c) The fund shall be used to pay expenses of state agencies incurred  
34 due to the passage of Arkansas Constitution, Amendment 98, and for transfers  
35 of the distributions as set out by Arkansas Constitution, Amendment 98.

36

1 19-6-834. Medical Marijuana Commission Fund.

2 (a) There is created on the books of the Treasurer of State, the  
3 Auditor of State, and the Chief Fiscal Officer of the State a special revenue  
4 fund to be known as the "Medical Marijuana Commission Fund".

5 (b) The fund shall consist of:

6 (1) Funds distributed under Arkansas Constitution, Amendment 98,  
7 § 17(b); and

8 (2) Other revenues and funds authorized by law.

9 (c) The Medical Marijuana Commission shall use the fund for the  
10 administration of the commission and other purposes under Arkansas  
11 Constitution, Amendment 98.

12  
13 19-6-835. General Assembly Promise Scholarship Program Fund.

14 (a) There is created on the books of the Treasurer of State, the  
15 Auditor of State, and the Chief Fiscal Officer of the State a special revenue  
16 fund to be known as the "General Assembly Promise Scholarship Program Fund".

17 (b) The fund shall consist of:

18 (1) Two and five-tenths percent (2.5%) of the funds distributed  
19 under Arkansas Constitution, Amendment 98, § 17(c); and

20 (2) Other revenues and funds authorized by law.

21 (c) The Treasurer of State shall use the fund for the administration  
22 of the General Assembly Promise Scholarship Program to provide moneys to  
23 every child born in the State of Arkansas to be used for college tuition.

24  
25 SECTION 7. DO NOT CODIFY. Implementation date – General Assembly  
26 Promise Scholarship Program.

27 The General Assembly Promise Scholarship Program shall be implemented  
28 beginning January 1, 2018.