

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 59th Legislature (2023)

4 ENGROSSED SENATE

5 BILL NO. 18x

By: Thompson (Roger) and Hall  
of the Senate

6 and

7 Wallace and Martinez of the  
8 House

9  
10 An Act relating to medical marijuana; amending 63  
11 O.S. 2021, Sections 426, as last amended by Section 1  
12 of Enrolled House Bill No. 2095 of the 1st Session of  
13 the 59th Oklahoma Legislature (63 O.S. Supp. 2022,  
14 Section 426) and 427.5, which relate to medical  
15 marijuana; deleting certain apportionments; modifying  
16 the Oklahoma Medical Marijuana Authority Revolving  
Fund; limiting funding source; requiring legislative  
appropriation; creating the Medical Marijuana Tax  
Fund; providing for sources of funds; requiring  
legislative appropriation; providing for  
codification; providing an effective date; and  
declaring an emergency.

17  
18 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

19 SECTION 1. AMENDATORY 63 O.S. 2021, Section 426, as last  
20 amended by Section 1 of Enrolled House Bill No. 2095 of the 1st  
21 Session of the 59th Oklahoma Legislature (63 O.S. Supp. 2022,  
22 Section 426), is amended to read as follows:  
23  
24

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.

15

16 COMMITTEE REPORT BY: COMMITTEE ON JOINT COMMITTEE ON APPROPRIATIONS  
17 AND BUDGET, dated 05/23/2023 - DO PASS, As Amended.

18

19

20

21

22

23

24