

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

SENATE BILL 1275

By: Thompson

AS INTRODUCED

An Act relating to medical marijuana; amending Section 7, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 426), which relates to tax on retail medical marijuana; providing that sales are subject to certain taxes; providing for deposit of proceeds; providing for apportionment and remittance; amending Section 5, Chapter 11, O.S.L. 2019 (63 O.S. Supp. 2019, Section 427.5), which relates to the Oklahoma Medical Marijuana Authority Revolving Fund; removing certain revenue source; removing certain duty of the State Department of Health; modifying purpose of fund; creating the Oklahoma Medical Marijuana Tax Fund; clarifying direction of monies; stating purposes; clarifying language; updating statutory reference; providing for codification; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY Section 7, State Question No. 788, Initiative Petition No. 412 (63 O.S. Supp. 2019, Section 426), is amended to read as follows:

Section 426. A. ~~The~~ An excise tax on retail medical marijuana sales ~~will be established at~~ is hereby levied at the rate of seven percent (7%) of the gross ~~amount received~~ sales by the seller.

1 ~~B. This tax will~~ The excise tax shall be collected at the point
2 of sale. ~~Tax~~ Excise tax proceeds ~~will be applied primarily to~~
3 ~~finance the regulatory office~~ shall be deposited in the Oklahoma
4 Medical Marijuana Tax Fund created in Section 3 of this act and
5 shall be expended as provided for therein.

6 B. The sale of retail medical marijuana shall be subject to
7 applicable state and local sales tax. Proceeds from state sales tax
8 shall be apportioned as provided in Section 1353 of Title 68 of the
9 Oklahoma Statutes. Proceeds from local sales tax shall be remitted
10 to the county and municipal governments when the point of sale is
11 located within the boundaries of the applicable political
12 subdivision.

13 ~~C. If proceeds from the levy authorized by subsection A of this~~
14 ~~section exceed the budgeted amount for running the regulatory~~
15 ~~office, any surplus shall be apportioned with seventy-five percent~~
16 ~~(75%) going to the General Revenue Fund and may only be expended for~~
17 ~~common education. Twenty-five percent (25%) shall be apportioned to~~
18 ~~the Oklahoma State Department of Health and earmarked for drug and~~
19 ~~alcohol rehabilitation.~~

20 SECTION 2. AMENDATORY Section 5, Chapter 11, O.S.L. 2019
21 (63 O.S. Supp. 2019, Section 427.5), is amended to read as follows:

22 Section 427.5. There is hereby created in the State Treasury a
23 revolving fund for the State Department of Health to be designated
24 the "Oklahoma Medical Marijuana Authority Revolving Fund". The fund

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

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

18 There is hereby created in the State Treasury a fund for the
19 State Department of Health to be designated the "Oklahoma Medical
20 Marijuana Tax Fund". The fund shall be a continuing fund, not
21 subject to fiscal year limitations, and shall consist of monies
22 received pursuant to subsection A of Section 426 of Title 63 of the
23 Oklahoma Statutes, and any monies designated to the fund by law.
24 Monies accruing to the credit of the fund shall be appropriated at

1 the discretion of the Legislature first, in an amount necessary for
2 the operation of the Oklahoma Medical Marijuana Authority of the
3 State Department of Health. The amount not appropriated to the
4 Authority shall be appropriated with seventy-five percent (75%) to
5 be expended on common education and twenty-five percent (25%) to be
6 expended on substance abuse prevention and treatment programs.

7 SECTION 4. This act shall become effective July 1, 2020.

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

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