

Fiscal Impact
2nd Session of the 57th Legislature

Bill No.:

SB 1758

Version:

INT

Author:

Sen. Stanislawski

Date:

02/11/2020

Fiscal Analysis

FY'21 Impact: Decreased Revenue to General Revenue

Full Year Impact: Decreased Revenue to General Revenue

The measure relocates the education portion of medical marijuana tax collections from the General Revenue Fund for education, to the State Public Common School Building Equalization Fund.

Prepared by: Fiscal Staff

OKLAHOMA TAX COMMISSION

**REVENUE IMPACT STATEMENT AND/OR ADMINISTRATIVE IMPACT STATEMENT
SECOND REGULAR SESSION, FIFTY-SEVENTH OKLAHOMA LEGISLATURE**

DATE OF IMPACT STATEMENT: February 10, 2020

BILL NUMBER: SB 1758 **STATUS AND DATE OF BILL:** Introduced 1/16/20

AUTHORS: House N/A Senate Stanislowski

TAX TYPE (S): Medical Marijuana **SUBJECT:** Apportionment

PROPOSAL: Amendatory

SB 1758 proposes to amend 63 O.S. § 426 altering the apportionment of the seven percent (7%) excise tax on medical marijuana.

EFFECTIVE DATE: Emergency-July 1, 2020

REVENUE IMPACT:

FY 21: \$7,476,000 increase to the State Public Common School Building Equalization Fund
\$7,476,000 decrease to the General Revenue Fund

ADMINISTRATIVE IMPACT:

FY 21: Minimal

Feb 10, 2020
DATE

Rick Miller
DIVISION DIRECTOR

KLS

2/10/2020
DATE

Huan Gong
HUAN GONG, ECONOMIST

2/10/2020
DATE

JDK
FOR THE COMMISSION

The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.

ATTACHMENT TO REVENUE AND ADMINISTRATIVE IMPACT SB 1758 [Introduced] February 10, 2020

SB 1758 proposes to amend 63 O.S. § 426 altering the apportionment of the seven percent (7%) excise tax on medical marijuana.

Currently, the seven percent (7%) excise tax on medical marijuana is apportioned to the OK Medical Marijuana Authority ("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, only to be expended for common education, and twenty-five percent (25%) to the Oklahoma State Department of Health, earmarked for drug and alcohol rehabilitation. SB 1758 proposes changing the apportionment of the seven percent (7%) excise tax on medical marijuana such that after the OMMA budget is met, the surplus will be apportioned seventy-five percent (75%) to the State Public Common School Building Equalization Fund and twenty-five percent (25%) to the Oklahoma State Department of Health, earmarked for drug and alcohol rehabilitation.

**Net Revenue Impact
FY 21:**

\$7,476,000 increase to the State Public Common School Building Equalization Fund
\$7,476,000 decrease to the General Revenue Fund

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 \$9,968,291.88 surplus after the OMMA budget is funded (\$34,789,892.88-\$24,821,601= \$9,968,291.88) for FY 2021. Under this proposed measure, seventy-five percent (75%) of this surplus would be apportioned to the State Public Common School Building Equalization Fund instead of the General Revenue Fund. In FY 2021 this would result in an increase of seven million four hundred and seventy-six thousand and two hundred and eighteen dollars and ninety-one cents (\$7,476,218.91)¹ to the State Public Common School Building Equalization Fund with the same offsetting decrease to the General Revenue Fund.

¹ \$9,968,291.88 x 75% = \$7,476,218.91