

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 1848 By: Montgomery of the Senate
3 and
4 Hilbert of the House
5
6
7

8 [medical marijuana tax - apportionment - Drug and
9 Alcohol Abuse Revolving Fund - codification -
effective date - emergency]
10

11
12 AUTHOR: Add the following House Coauthor: Hardin (David)
13 AMENDMENT NO. 1. Strike the stricken title, enacting clause, and
14 entire bill and insert:
15

16 "An Act relating to revenue and taxation; amending 63
17 O.S. 2021, Sections 426 and 427.3, which relate to
18 the Oklahoma Medical Marijuana Authority; modifying
19 apportionment of excise tax proceeds; directing
20 Authority to establish certain programs and
21 providing funding; creating County Sheriff Public
22 Safety Grant Revolving Fund; providing for use of
23 apportioned funds by Authority; prescribing
24 procedures for expenditures; amending 68 O.S. 2021,
Section 1353, which relates to sales tax revenue;
directing apportionment of certain sales tax
revenues; setting maximum apportionment amount;
subjecting amounts to certain final estimate;
requiring surplus amounts be remitted to General
Revenue Fund; amending 70 O.S. 2021, Section 3-104,
which relates to the State Board of Education;
updating statutory citations; establishing deadline

1 for Department of Education to provide certain
2 information to the Oklahoma Tax Commission;
3 providing for codification; providing an effective
4 date; and declaring an emergency.

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

6 SECTION 1. AMENDATORY 63 O.S. 2021, Section 426, is
7 amended to read as follows:

8 Section 426. A. The tax on retail medical marijuana sales will
9 be established at seven percent (7%) of the gross amount received by
10 the seller.

11 B. This tax will be collected at the point of sale. Except as
12 provided for in subsection ~~D~~ C of this section, tax proceeds ~~will be~~
13 ~~applied primarily to finance the regulatory office~~ shall be
14 appropriated in amounts as authorized by the Oklahoma Legislature.

15 C. ~~Except as provided for in subsection D, if~~ For the fiscal
16 year beginning July 1, 2022, and each subsequent fiscal year,
17 proceeds from the levy authorized by subsection A of this section
18 ~~exceed the budgeted amount for running the regulatory office, any~~
19 ~~surplus shall be apportioned with seventy-five percent (75%) going~~
20 ~~to the General Revenue Fund and may only be expended for common~~
21 ~~education including~~ as follows:

22 1. Thirty-five and seven-tenths percent (35.7%) of the total
23 proceeds of the levy to the Oklahoma Medical Marijuana Authority
24 Revolving Fund for operations, but in no event shall the total

1 amount apportioned in any fiscal year pursuant to this paragraph
2 exceed Twenty-three Million Six Hundred Thousand Dollars
3 (\$23,600,000.00);

4 2. Forty-four and six hundred twenty-five thousandths percent
5 (44.625%) of the total proceeds of the levy to the State Public
6 Common School Building Equalization Fund for the purpose of funding
7 redbud school grants pursuant to Section 3-104 of Title 70 of the
8 Oklahoma Statutes. ~~Twenty five percent (25%) shall be apportioned,~~
9 but in no event shall the total amount apportioned in any fiscal
10 year pursuant to this paragraph exceed the amount of redbud school
11 grant funds awarded pursuant to subsection B of Section 3-104 of
12 Title 70 of the Oklahoma Statutes;

13 3. Fourteen and eight hundred seventy-five thousandths percent
14 (14.875%) of the total proceeds of the levy to the ~~Oklahoma State~~
15 Department of Mental Health and Substance Abuse Services and
16 earmarked for drug and alcohol rehabilitation, but in no event
17 shall the total amount apportioned in any fiscal year pursuant to
18 this paragraph exceed Ten Million Dollars (\$10,000,000.00);

19 4. Four and eight-tenths percent (4.8%) of the total proceeds
20 of the levy to the County Sheriff Public Safety Grant Revolving Fund
21 created pursuant to Section 3 of this act, but in no event shall the
22 total amount apportioned in any fiscal year pursuant to this
23 paragraph exceed Three Million Two Hundred Thousand Dollars
24 (\$3,200,000.00); and

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

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

5 a. ~~fifty-nine and twenty-three hundredths percent~~
6 ~~(59.23%) to the State Public Common School Building~~
7 ~~Equalization Fund,~~

8 b. ~~thirty-four and sixty-two hundredths percent (34.62%)~~
9 ~~to the Oklahoma Medical Marijuana Authority, a~~
10 ~~division within the Oklahoma State Department of~~
11 ~~Health, and~~

12 e. ~~six and fifteen hundredths percent (6.15%) to the~~
13 ~~Oklahoma State Department of Health and earmarked for~~
14 ~~drug and alcohol rehabilitation; and~~

15 ~~2.~~ 5. Any surplus collections available pursuant to the
16 provisions of this subsection shall be apportioned to the General
17 Revenue Fund of the State Treasury.

18 SECTION 2. AMENDATORY 63 O.S. 2021, Section 427.3, is
19 amended to read as follows:

20 Section 427.3 A. There is hereby created the Oklahoma Medical
21 Marijuana Authority within the State Department of Health which
22 shall address issues related to the medical marijuana program in
23 Oklahoma including, but not limited to, the issuance of patient
24 licenses and medical marijuana business licenses, and the

1 dispensing, cultivating, processing, testing, transporting, storage,
2 research, and the use of and sale of medical marijuana pursuant to
3 the Oklahoma Medical Marijuana and Patient Protection Act.

4 B. The Department shall provide support staff to perform
5 designated duties of the Authority. The Department shall also
6 provide office space for meetings of the Authority.

7 C. The Department shall implement the provisions of the
8 Oklahoma Medical Marijuana and Patient Protection Act consistently
9 with the voter-approved State Question No. 788, Initiative Petition
10 No. 412, subject to the provisions of the Oklahoma Medical Marijuana
11 and Patient Protection Act.

12 D. The Department shall exercise its respective powers and
13 perform its respective duties and functions as specified in the
14 Oklahoma Medical Marijuana and Patient Protection Act and this title
15 including, but not limited to, the following:

16 1. Determine steps the state shall take, whether administrative
17 or legislative in nature, to ensure that research on marijuana and
18 marijuana products is being conducted for public purposes, including
19 the advancement of:

- 20 a. public health policy and public safety policy,
- 21 b. agronomic and horticultural best practices, and
- 22 c. medical and pharmacopoeia best practices;

23 2. Contract with third-party vendors and other governmental
24 entities in order to carry out the respective duties and functions

1 as specified in the Oklahoma Medical Marijuana and Patient
2 Protection Act;

3 3. Upon complaint or upon its own motion and upon a completed
4 investigation, levy fines as prescribed in applicable laws, rules
5 and regulations and suspend, revoke or not renew licenses pursuant
6 to applicable laws, rules and regulations;

7 4. Issue subpoenas for the appearance or production of persons,
8 records and things in connection with disciplinary or contested
9 cases considered by the Department;

10 5. Apply for injunctive or declaratory relief to enforce the
11 provisions of applicable laws, rules and regulations;

12 6. Inspect and examine all licensed premises of medical
13 marijuana businesses, research facilities, education facilities and
14 waste disposal facilities in which medical marijuana is cultivated,
15 manufactured, sold, stored, transported, tested, distributed or
16 disposed of;

17 7. Upon action by the federal government by which the
18 production, sale and use of marijuana in Oklahoma does not violate
19 federal law, work with the Oklahoma State Banking Department and the
20 State Treasurer to develop good practices and standards for banking
21 and finance for medical marijuana businesses;

22 8. Establish internal control procedures for licenses including
23 accounting procedures, reporting procedures and personnel policies;

24

1 9. Establish a fee schedule and collect fees for performing
2 background checks as the Commissioner deems appropriate. The fees
3 charged pursuant to this paragraph shall not exceed the actual cost
4 incurred for each background check;

5 10. Establish a fee schedule and collect fees for material
6 changes requested by the licensee; ~~and~~

7 11. Establish regulations, which require a medical marijuana
8 business to submit information to the Oklahoma Medical Marijuana
9 Authority, deemed reasonably necessary to assist the Authority in
10 the prevention of diversion of medical marijuana by a licensed
11 medical marijuana business. Such information required by the
12 Authority may include, but shall not be limited to:

- 13 a. the square footage of the licensed premises,
- 14 b. a diagram of the licensed premises,
- 15 c. the number and type of lights at the licensed medical
16 marijuana commercial grower business,
- 17 d. the number, type and production capacity of equipment
18 located at the medical marijuana processing facility,
- 19 e. the names, addresses and telephone numbers of
20 employees or agents of a medical marijuana business,
- 21 f. employment manuals and standard operating procedures
22 for the medical marijuana business, and
- 23 g. any other information as the Authority reasonably
24 deems necessary; and

1 12. Establish programs and provide funding, from the revenues
2 apportioned pursuant to paragraph 4 of subsection C of Section 426
3 of this title, to support county sheriffs to enforce the
4 requirements of state law with respect to the commercial growth of
5 medical marijuana or other related business activity for which a
6 license is required pursuant to the provisions of law governing the
7 production, cultivation, transportation, distribution, sale, or
8 other actions related to medical marijuana.

9 SECTION 3. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 427.3A of Title 63, unless there
11 is created a duplication in numbering, reads as follows:

12 There is hereby created in the State Treasury a revolving fund
13 for the Oklahoma Medical Marijuana Authority to be designated the
14 "County Sheriff Public Safety Grant Revolving Fund". The fund shall
15 be a continuing fund, not subject to fiscal year limitations, and
16 shall consist of all monies received by the Oklahoma Medical
17 Marijuana Authority from the apportionment of the excise tax on
18 medical marijuana as provided by Section 426 of Title 63 of the
19 Oklahoma Statutes. All monies accruing to the credit of said fund
20 are hereby appropriated and may be budgeted and expended by the
21 Oklahoma Medical Marijuana Authority for the purpose specified by
22 paragraph 12 of subsection D of Section 427.3 of Title 63 of the
23 Oklahoma Statutes. Expenditures from said fund shall be made upon
24 warrants issued by the State Treasurer against claims filed as

1 prescribed by law with the Director of the Office of Management and
2 Enterprise Services for approval and payment.

3 SECTION 4. AMENDATORY 68 O.S. 2021, Section 1353, is
4 amended to read as follows:

5 Section 1353. A. It is hereby declared to be the purpose of
6 the Oklahoma Sales Tax Code to provide funds for the financing of
7 the program provided for by the Oklahoma Social Security Act and to
8 provide revenues for the support of the functions of the state
9 government of Oklahoma, and for this purpose it is hereby expressly
10 provided that, revenues derived pursuant to the provisions of the
11 Oklahoma Sales Tax Code, subject to the apportionment requirements
12 for the Oklahoma Tax Commission and Office of Management and
13 Enterprise Services Joint Computer Enhancement Fund provided by
14 Section 265 of this title, shall be apportioned as follows:

15 1. Except as provided in subsections C and D of this section,
16 the following amounts shall be paid to the State Treasurer to be
17 placed to the credit of the General Revenue Fund to be paid out
18 pursuant to direct appropriation by the Legislature:

19 Fiscal Year	Amount
20 FY 2003 and FY 2004	86.04%
21 FY 2005	85.83%
22 FY 2006	85.54%
23 FY 2007	85.04%
24 FY 2008 through FY 2022	83.61%

1	FY 2006	4.0%
2	FY 2007	4.5%
3	FY 2008 through FY 2020	5.0%
4	FY 2021:	
5	a. for the month beginning July	
6	1, 2020, through the month	
7	ending August 31, 2020	5.0%
8	b. for the month beginning	
9	September 1, 2020, through	
10	the month ending June 30,	
11	2021	3.5%
12	FY 2022	5.0%
13	FY 2023 through FY 2027	5.25%
14	FY 2028 and each fiscal year thereafter	5.0%;
15	4. a. except as otherwise provided in subparagraph b of this	
16	paragraph, for the fiscal year beginning July 1, 2015,	
17	and for each fiscal year thereafter, eighty-seven one-	
18	hundredths percent (0.87%) shall be paid to the State	
19	Treasurer to be further apportioned as follows:	
20	(1) thirty-six percent (36%) shall be placed to the	
21	credit of the Oklahoma Tourism Promotion	
22	Revolving Fund, but in no event shall such	
23	apportionment exceed Five Million Dollars	
24	(\$5,000,000.00) in any fiscal year, and	

1 (2) sixty-four percent (64%) shall be placed to the
2 credit of the Oklahoma Tourism Capital
3 Improvement Revolving Fund, but in no event shall
4 such apportionment exceed Nine Million Dollars
5 (\$9,000,000.00) in any fiscal year, and

6 b. any amounts which exceed the limitations of
7 subparagraph a of this paragraph shall be placed to
8 the credit of the General Revenue Fund; and

9 5. For the fiscal year beginning July 1, 2015, and for each
10 fiscal year thereafter, six one-hundredths percent (0.06%) shall be
11 placed to the credit of the Oklahoma Historical Society Capital
12 Improvement and Operations Revolving Fund, but in no event shall
13 such apportionment exceed the total amount apportioned pursuant to
14 this paragraph for the fiscal year ending on June 30, 2015. Any
15 amounts which exceed the limitations of this paragraph shall be
16 placed to the credit of the General Revenue Fund.

17 B. Provided, for the fiscal year beginning July 1, 2007, and
18 every fiscal year thereafter, an amount of revenue shall be
19 apportioned to each municipality or county which levies a sales tax
20 subject to the provisions of Section 1357.10 of this title and
21 subsection F of Section 2701 of this title equal to the amount of
22 sales tax revenue of such municipality or county exempted by the
23 provisions of Section 1357.10 of this title and subsection F of
24 Section 2701 of this title. The Oklahoma Tax Commission shall

1 promulgate and adopt rules necessary to implement the provisions of
2 this subsection.

3 C. From the monies that would otherwise be apportioned to the
4 General Revenue Fund pursuant to subsection A of this section, there
5 shall be apportioned the following amounts:

6 1. For the month ending August 31, 2019:

7 a. Nine Million Six Hundred Thousand Dollars
8 (\$9,600,000.00) to the credit of the State Highway
9 Construction and Maintenance Fund created in Section
10 1501 of Title 69 of the Oklahoma Statutes, and

11 b. Two Million Dollars (\$2,000,000.00) to the credit of
12 the Oklahoma Railroad Maintenance Revolving Fund
13 created in Section 309 of Title 66 of the Oklahoma
14 Statutes;

15 2. For the month ending September 30, 2019:

16 a. Twenty Million Dollars (\$20,000,000.00) to the credit
17 of the State Highway Construction and Maintenance Fund
18 created in Section 1501 of Title 69 of the Oklahoma
19 Statutes, and

20 b. Two Million Dollars (\$2,000,000.00) to the credit of
21 the Oklahoma Railroad Maintenance Revolving Fund
22 created in Section 309 of Title 66 of the Oklahoma
23 Statutes;

24 3. For the month ending October 31, 2019:

1 a. Twenty Million Dollars (\$20,000,000.00) to the credit
2 of the State Highway Construction and Maintenance Fund
3 created in Section 1501 of Title 69 of the Oklahoma
4 Statutes, and

5 b. Two Million Dollars (\$2,000,000.00) to the credit of
6 the Oklahoma Railroad Maintenance Revolving Fund
7 created in Section 309 of Title 66 of the Oklahoma
8 Statutes;

9 4. For the month ending November 30, 2019:

10 a. Twenty Million Dollars (\$20,000,000.00) to the credit
11 of the State Highway Construction and Maintenance Fund
12 created in Section 1501 of Title 69 of the Oklahoma
13 Statutes, and

14 b. Two Million Dollars (\$2,000,000.00) to the credit of
15 the Oklahoma Railroad Maintenance Revolving Fund
16 created in Section 309 of Title 66 of the Oklahoma
17 Statutes; and

18 5. For the month ending December 31, 2019:

19 a. Twenty Million Dollars (\$20,000,000.00) to the credit
20 of the State Highway Construction and Maintenance Fund
21 created in Section 1501 of Title 69 of the Oklahoma
22 Statutes, and

23 b. Two Million Dollars (\$2,000,000.00) to the credit of
24 the Oklahoma Railroad Maintenance Revolving Fund

1 created in Section 309 of Title 66 of the Oklahoma
2 Statutes.

3 D. For fiscal year 2023, and each subsequent fiscal year,
4 before any other apportionment otherwise required by this section is
5 made to the General Revenue Fund, there shall be apportioned ~~to the~~
6 ~~State Public Common School Building Equalization Fund an amount, if~~
7 ~~any, as required pursuant to Section 3-104 of Title 70 of the~~
8 ~~Oklahoma Statutes~~ amounts, not to exceed the state sales tax
9 generated by medical marijuana sales in the preceding fiscal year as
10 ~~reported~~ determined by the Oklahoma Tax Commission, as follows:

11 1. Thirty-five and seven-tenths percent (35.7%) of the total
12 proceeds of the levy to the Oklahoma Medical Marijuana Authority
13 Revolving Fund for operations, but in no event shall the total
14 amount apportioned in any fiscal year pursuant to this paragraph
15 exceed Thirteen Million Four Hundred Thousand Dollars
16 (\$13,400,000.00);

17 2. Forty-four and six hundred twenty-five thousandths percent
18 (44.625%) of the total proceeds of the levy to the State Public
19 Common School Building Equalization Fund for the purpose of funding
20 redbud school grants pursuant to Section 3-104 of Title 70 of the
21 Oklahoma Statutes, but in no event shall the total amount
22 apportioned in any fiscal year pursuant to this paragraph exceed the
23 amount of redbud school grant funds awarded pursuant to subsection B
24 of Section 3-104 of Title 70 of the Oklahoma Statutes;

1 3. Fourteen and eight hundred seventy-five thousandths percent
2 (14.875%) of the total proceeds of the levy to the Department of
3 Mental Health and Substance Abuse Services and earmarked for drug
4 and alcohol rehabilitation, but in no event shall the total amount
5 apportioned in any fiscal year pursuant to this paragraph exceed
6 Five Million Five Hundred Thousand Dollars (\$5,500,000.00);

7 4. Four and eight-tenths percent (4.8%) of the total proceeds
8 of the levy to the County Sheriff Public Safety Grant Revolving Fund
9 created pursuant to Section 3 of this act, but in no event shall the
10 total amount apportioned in any fiscal year pursuant to this
11 paragraph exceed One Million Eight Hundred Thousand Dollars
12 (\$1,800,000.00);

13 5. The dollar amounts otherwise prescribed by paragraphs 1
14 through 4 of this subsection shall be subject to an estimate of the
15 state sales tax generated by medical marijuana as determined by the
16 Oklahoma Tax Commission monthly for each fiscal year; and

17 6. Any surplus amounts available pursuant to the provisions of
18 this subsection shall be remitted to the General Revenue Fund.

19 SECTION 5. AMENDATORY 70 O.S. 2021, Section 3-104, is
20 amended to read as follows:

21 Section 3-104. A. The supervision of the public school system
22 of Oklahoma shall be vested in the State Board of Education and,
23 subject to limitations otherwise provided by law, the State Board of
24 Education shall:

- 1 1. Adopt policies and make rules for the operation of the
2 public school system of the state;
- 3 2. Appoint, prescribe the duties and fix the compensation of a
4 secretary, an attorney and all other personnel necessary for the
5 proper performance of the functions of the State Board of Education.
6 The secretary shall not be a member of the Board;
- 7 3. Submit to the Governor a departmental budget based upon
8 major functions of the Department as prepared by the State
9 Superintendent of Public Instruction and supported by detailed data
10 on needs and proposed operations as partially determined by the
11 budgetary needs of local school districts filed with the State Board
12 of Education for the ensuing fiscal year. Appropriations therefor
13 shall be made in lump-sum form for each major item in the budget as
14 follows:
- 15 a. State Aid to schools,
 - 16 b. the supervision of all other functions of general and
17 special education including general control, free
18 textbooks, school lunch, Indian education and all
19 other functions of the Board and an amount sufficient
20 to adequately staff and administer these services, and
 - 21 c. the Board shall determine the details by which the
22 budget and the appropriations are administered.
23 Annually, the Board shall make preparations to
24 consolidate all of the functions of the Department in

1 such a way that the budget can be based on two items,
2 administration and aid to schools. A maximum amount
3 for administration shall be designated as a part of
4 the total appropriation;

5 4. On the first day of December preceding each regular session
6 of the Legislature, prepare and deliver to the Governor and the
7 Legislature a report for the year ending June 30 immediately
8 preceding the regular session of the Legislature. The report shall
9 contain:

- 10 a. detailed statistics and other information concerning
11 enrollment, attendance, expenditures including State
12 Aid, and other pertinent data for all public schools
13 in this state,
14 b. reports from each and every division within the State
15 Department of Education as submitted by the State
16 Superintendent of Public Instruction and any other
17 division, department, institution or other agency
18 under the supervision of the Board,
19 c. recommendations for the improvement of the public
20 school system of the state,
21 d. a statement of the receipts and expenditures of the
22 State Board of Education for the past year, and
23 e. a statement of plans and recommendations for the
24 management and improvement of public schools and such

1 other information relating to the educational
2 interests of the state as may be deemed necessary and
3 desirable;

4 5. Provide for the formulation and adoption of curricula,
5 courses of study and other instructional aids necessary for the
6 adequate instruction of pupils in the public schools;

7 6. Have authority in matters pertaining to the licensure and
8 certification of persons for instructional, supervisory and
9 administrative positions and services in the public schools of the
10 state subject to the provisions of Section 6-184 of this title, and
11 shall formulate rules governing the issuance and revocation of
12 certificates for superintendents of schools, principals,
13 supervisors, librarians, clerical employees, school nurses, school
14 bus drivers, visiting teachers, classroom teachers and for other
15 personnel performing instructional, administrative and supervisory
16 services, but not including members of boards of education and other
17 employees who do not work directly with pupils, and may charge and
18 collect reasonable fees for the issuance of such certificates:

19 a. the State Department of Education shall not issue a
20 certificate to and shall revoke the certificate of any
21 person who has been convicted, whether upon a verdict
22 or plea of guilty or upon a plea of nolo contendere,
23 or received a suspended sentence or any probationary
24 term for a crime or an attempt to commit a crime

1 provided for in Section 843.5 of Title 21 of the
2 Oklahoma Statutes if the offense involved sexual abuse
3 or sexual exploitation as those terms are defined in
4 Section 1-1-105 of Title 10A of the Oklahoma Statutes,
5 Section 741, 843.1, if the offense included sexual
6 abuse or sexual exploitation, 865 et seq., 885, 888,
7 891, 1021, 1021.2, 1021.3, 1040.13a, 1087, 1088,
8 1111.1, 1114 or 1123 of Title 21 of the Oklahoma
9 Statutes or who enters this state and who has been
10 convicted, received a suspended sentence or received a
11 deferred judgment for a crime or attempted crime
12 which, if committed or attempted in this state, would
13 be a crime or an attempt to commit a crime provided
14 for in any of said laws,

15 b. all funds collected by the State Department of
16 Education for the issuance of certificates to
17 instructional, supervisory and administrative
18 personnel in the public schools of the state shall be
19 deposited in the "Teachers' Certificate Fund" in the
20 State Treasury and may be expended by the State Board
21 of Education to finance the activities of the State
22 Department of Education necessary to administer the
23 program, for consultative services, publication costs,
24 actual and necessary travel expenses as provided in

1 the State Travel Reimbursement Act incurred by persons
2 performing research work, and other expenses found
3 necessary by the State Board of Education for the
4 improvement of the preparation and certification of
5 teachers in Oklahoma. Provided, any unobligated
6 balance in the Teachers' Certificate Fund in excess of
7 Ten Thousand Dollars (\$10,000.00) on June 30 of any
8 fiscal year shall be transferred to the General
9 Revenue Fund of the State of Oklahoma. Until July 1,
10 1997, the State Board of Education shall have
11 authority for approval of teacher education programs.
12 The State Board of Education shall also have authority
13 for the administration of teacher residency and
14 professional development, subject to the provisions of
15 the Oklahoma Teacher Preparation Act;

16 7. Promulgate rules governing the classification, inspection,
17 supervision and accrediting of all public nursery, kindergarten,
18 elementary and secondary schools and on-site educational services
19 provided by public school districts or state-accredited private
20 schools in partial hospitalization programs, day treatment programs,
21 and day hospital programs as defined in this act for persons between
22 the ages of three (3) and twenty-one (21) years of age in the state.
23 However, no school shall be denied accreditation solely on the basis
24 of average daily attendance.

1 Any school district which maintains an elementary school and
2 faces the necessity of relocating its school facilities because of
3 construction of a lake, either by state or federal authority, which
4 will inundate the school facilities, shall be entitled to receive
5 probationary accreditation from the State Board of Education for a
6 period of five (5) years after the effective date of this act and
7 any school district, otherwise qualified, shall be entitled to
8 receive probationary accreditation from the State Board of Education
9 for a period of two (2) consecutive years to attain the minimum
10 average daily attendance. The Head Start and public nurseries or
11 kindergartens operated from Community Action Program funds shall not
12 be subjected to the accrediting rules of the State Board of
13 Education. Neither will the State Board of Education make rules
14 affecting the operation of the public nurseries and kindergartens
15 operated from federal funds secured through Community Action
16 Programs even though they may be operating in the public schools of
17 the state. However, any of the Head Start or public nurseries or
18 kindergartens operated under federal regulations may make
19 application for accrediting from the State Board of Education but
20 will be accredited only if application for the approval of the
21 programs is made. The status of no school district shall be changed
22 which will reduce it to a lower classification until due notice has
23 been given to the proper authorities thereof and an opportunity
24

1 given to correct the conditions which otherwise would be the cause
2 of such reduction.

3 Private and parochial schools may be accredited and classified
4 in like manner as public schools or, if an accrediting association
5 is approved by the State Board of Education, by procedures
6 established by the State Board of Education to accept accreditation
7 by such accrediting association, if application is made to the State
8 Board of Education for such accrediting;

9 8. Be the legal agent of the State of Oklahoma to accept, in
10 its discretion, the provisions of any Act of Congress appropriating
11 or apportioning funds which are now, or may hereafter be, provided
12 for use in connection with any phase of the system of public
13 education in Oklahoma. It shall prescribe such rules as it finds
14 necessary to provide for the proper distribution of such funds in
15 accordance with the state and federal laws;

16 9. Be and is specifically hereby designated as the agency of
17 this state to cooperate and deal with any officer, board or
18 authority of the United States Government under any law of the
19 United States which may require or recommend cooperation with any
20 state board having charge of the administration of public schools
21 unless otherwise provided by law;

22 10. Be and is hereby designated as the "State Educational
23 Agency" referred to in Public Law 396 of the 79th Congress of the
24 United States, which law states that said act may be cited as the

1 "National School Lunch Act", and said State Board of Education is
2 hereby authorized and directed to accept the terms and provisions of
3 said act and to enter into such agreements, not in conflict with the
4 Constitution of Oklahoma or the Constitution and Statutes of the
5 United States, as may be necessary or appropriate to secure for the
6 State of Oklahoma the benefits of the school lunch program
7 established and referred to in said act;

8 11. Have authority to secure and administer the benefits of the
9 National School Lunch Act, Public Law 396 of the 79th Congress of
10 the United States, in the State of Oklahoma and is hereby authorized
11 to employ or appoint and fix the compensation of such additional
12 officers or employees and to incur such expenses as may be necessary
13 for the accomplishment of the above purpose, administer the
14 distribution of any state funds appropriated by the Legislature
15 required as federal matching to reimburse on children's meals;

16 12. Accept and provide for the administration of any land,
17 money, buildings, gifts, donation or other things of value which may
18 be offered or bequeathed to the schools under the supervision or
19 control of said Board;

20 13. Have authority to require persons having administrative
21 control of all school districts in Oklahoma to make such regular and
22 special reports regarding the activities of the schools in said
23 districts as the Board may deem needful for the proper exercise of
24 its duties and functions. Such authority shall include the right of

1 the State Board of Education to withhold all state funds under its
2 control, to withhold official recognition, including accrediting,
3 until such required reports have been filed and accepted in the
4 office of said Board and to revoke the certificates of persons
5 failing or refusing to make such reports;

6 14. Have general supervision of the school lunch program. The
7 State Board of Education may sponsor workshops for personnel and
8 participants in the school lunch program and may develop, print and
9 distribute free of charge or sell any materials, books and bulletins
10 to be used in such school lunch programs. There is hereby created
11 in the State Treasury a revolving fund for the Board, to be
12 designated the School Lunch Workshop Revolving Fund. The fund shall
13 consist of all fees derived from or on behalf of any participant in
14 any such workshop sponsored by the State Board of Education, or from
15 the sale of any materials, books and bulletins, and such funds shall
16 be disbursed for expenses of such workshops and for developing,
17 printing and distributing of such materials, books and bulletins
18 relating to the school lunch program. The fund shall be
19 administered in accordance with Section 155 of Title 62 of the
20 Oklahoma Statutes;

21 15. Prescribe all forms for school district and county officers
22 to report to the State Board of Education where required. The State
23 Board of Education shall also prescribe a list of appropriation
24 accounts by which the funds of school districts shall be budgeted,

1 accounted for and expended; and it shall be the duty of the State
2 Auditor and Inspector in prescribing all budgeting, accounting and
3 reporting forms for school funds to conform to such lists;

4 16. Provide for the establishment of a uniform system of pupil
5 and personnel accounting, records and reports;

6 17. Have authority to provide for the health and safety of
7 school children and school personnel while under the jurisdiction of
8 school authorities;

9 18. Provide for the supervision of the transportation of
10 pupils;

11 19. Have authority, upon request of the local school board, to
12 act in behalf of the public schools of the state in the purchase of
13 transportation equipment;

14 20. Have authority and is hereby required to perform all duties
15 necessary to the administration of the public school system in
16 Oklahoma as specified in the Oklahoma School Code; and, in addition
17 thereto, those duties not specifically mentioned herein if not
18 delegated by law to any other agency or official;

19 21. Administer the State Public Common School Building
20 Equalization Fund established by Section 32 of Article X of the
21 Oklahoma Constitution. Any monies as may be appropriated or
22 designated by the Legislature, other than ad valorem taxes, any
23 other funds identified by the State Department of Education, which
24 may include, but not be limited to, grants-in-aid from the federal

1 government for building purposes, the proceeds of all property that
2 shall fall to the state by escheat, penalties for unlawful holding
3 of real estate by corporations, and capital gains on assets of the
4 permanent school funds, shall be deposited in the State Public
5 Common School Building Equalization Fund. The fund shall be used to
6 aid school districts and charter schools in acquiring buildings,
7 subject to the limitations fixed by Section 32 of Article X of the
8 Oklahoma Constitution. It is hereby declared that the term
9 "acquiring buildings" as used in Section 32 of Article X of the
10 Oklahoma Constitution shall mean acquiring or improving school
11 sites, constructing, repairing, remodeling or equipping buildings,
12 or acquiring school furniture, fixtures, or equipment. It is hereby
13 declared that the term "school districts" as used in Section 32 of
14 Article X of the Oklahoma Constitution shall mean school districts
15 and eligible charter schools as defined in subsection B of this
16 section. The State Board of Education shall disburse redbud school
17 grants annually from the State Public Common School Building
18 Equalization Fund to public schools and eligible charter schools
19 pursuant to subsection B of this section. The Board shall
20 promulgate rules for the implementation of disbursing redbud school
21 grants pursuant to this section. The State Board of Education shall
22 prescribe rules for making grants of aid from, and for otherwise
23 administering, the fund pursuant to the provisions of this
24 paragraph, and may employ and fix the duties and compensation of

1 technicians, aides, clerks, stenographers, attorneys and other
2 personnel deemed necessary to carry out the provisions of this
3 paragraph. The cost of administering the fund shall be paid from
4 monies appropriated to the State Board of Education for the
5 operation of the State Department of Education. From monies
6 apportioned to the fund, the State Department of Education may
7 reserve not more than one-half of one percent (1/2 of 1%) for
8 purposes of administering the fund;

9 22. Recognize that the Director of the Oklahoma Department of
10 Corrections shall be the administrative authority for the schools
11 which are maintained in the state reformatories and shall appoint
12 the principals and teachers in such schools. Provided, that rules
13 of the State Board of Education for the classification, inspection
14 and accreditation of public schools shall be applicable to such
15 schools; and such schools shall comply with standards set by the
16 State Board of Education; and

17 23. Have authority to administer a revolving fund which is
18 hereby created in the State Treasury, to be designated the
19 Statistical Services Revolving Fund. The fund shall consist of all
20 monies received from the various school districts of the state, the
21 United States Government, and other sources for the purpose of
22 furnishing or financing statistical services and for any other
23 purpose as designated by the Legislature. The State Board of
24 Education is hereby authorized to enter into agreements with school

1 districts, municipalities, the United States Government, foundations
2 and other agencies or individuals for services, programs or research
3 projects. The Statistical Services Revolving Fund shall be
4 administered in accordance with Section 155 of Title 62 of the
5 Oklahoma Statutes.

6 B. 1. The redbud school grants shall be determined by the
7 State Department of Education as follows:

- 8 a. divide the county four-mill levy revenue by four to
9 determine the nonchargeable county four-mill revenue
10 for each school district,
- 11 b. determine the amount of new revenue generated by the
12 five-mill building fund levy as authorized by Section
13 10 of Article X of the Oklahoma Constitution for each
14 school district as reported in the Oklahoma Cost
15 Accounting System for the preceding fiscal year,
- 16 c. add the amounts calculated in subparagraphs a and b of
17 this paragraph to determine the nonchargeable millage
18 for each school district,
- 19 d. add the nonchargeable millage in each district
20 statewide as calculated in subparagraph c of this
21 paragraph and divide the total by the average daily
22 membership in public schools statewide based on the
23 preceding school year's average daily membership,
24 according to the provisions of Section 18-107 of this

1 title. This amount is the statewide nonchargeable
2 millage per student, known as the baseline local
3 funding per student,

4 e. all eligible charter schools shall be included in
5 these calculations as unique school districts,
6 separate from the school district that may sponsor the
7 eligible charter school, and the total number of
8 districts shall be used to determine the statewide
9 average baseline local funding per student,

10 f. for each school district or eligible charter school
11 which is below the baseline local funding per student,
12 the Department shall subtract the baseline local
13 funding per student from the average nonchargeable
14 millage per student of the school district or eligible
15 charter school to determine the nonchargeable millage
16 per student shortfall for each district, and

17 g. the nonchargeable millage per student shortfall for a
18 school district or eligible charter school shall be
19 multiplied by the average daily membership of the
20 preceding school year of the eligible school district
21 or eligible charter school. This amount shall be the
22 redbud school grant amount for the school district or
23 eligible charter school.

24

1 2. For fiscal year 2022, monies for the redbud school grants
2 shall be expended from the funds apportioned pursuant to Section ~~2~~
3 426 of ~~this act~~ Title 63 of the Oklahoma Statutes. For fiscal year
4 2023 and each subsequent fiscal year, monies for the redbud school
5 grants shall be ~~appropriated~~ apportioned pursuant to Section ~~2~~ 426
6 ~~of this act, not to exceed three fourths (3/4) of the tax collected~~
7 ~~in the preceding fiscal year pursuant to Section 426 of Title 63 of~~
8 ~~the Oklahoma Statutes as determined by the Oklahoma Tax Commission.~~
9 ~~For fiscal year 2023 and each subsequent fiscal year, if such~~
10 ~~appropriated funds are insufficient to fund the redbud school~~
11 ~~grants, then an additional apportionment of funds shall be made from~~
12 ~~sales tax collections as provided by subsection D of Section 3 of~~
13 ~~this act~~ Title 63 of the Oklahoma Statutes and Section 1353 of Title
14 68 of the Oklahoma Statutes. If the apportionment of both funds
15 revenue sources are insufficient, the Department shall promulgate
16 rules to permit a decrease to the baseline local funding per student
17 to the highest amount allowed with the funding available. The
18 Department shall ensure the amounts necessary to fund the redbud
19 school grants are provided to the Oklahoma Tax Commission by July 1
20 of the applicable fiscal year.

21 3. As used in this section, "eligible charter school" shall
22 mean a charter school which is sponsored pursuant to the provisions
23 of the Oklahoma Charter School Act. Provided, however, "eligible
24 charter school" shall not include a charter school sponsored by the

1 Statewide Virtual Charter School Board but shall only include those
2 which provide in-person or blended instruction, as provided by
3 Section 1-111 of this title, to not less than two-thirds (2/3) of
4 students as the primary means of instructional service delivery.

5 4. The Department shall develop a program to acknowledge the
6 redbud school grant recipients and shall include elected members of
7 the Oklahoma House of Representatives and Oklahoma State Senate who
8 represent the school districts and eligible charter schools.

9 5. The Department shall create a dedicated page on its website
10 listing annual redbud school grant recipients, amount awarded to
11 each recipient and other pertinent information about the Redbud
12 School Funding Act.

13 6. The Department shall provide the Chair of the House
14 Appropriations and Budget Committee and the Chair of the Senate
15 Appropriations Committee no later than February 1 of each year with
16 an estimate of the upcoming year's redbud school grant allocation as
17 prescribed by this section.

18 SECTION 6. This act shall become effective July 1, 2022.

19 SECTION 7. It being immediately necessary for the preservation
20 of the public peace, health or safety, an emergency is hereby
21 declared to exist, by reason whereof this act shall take effect and
22 be in full force from and after its passage and approval."
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Passed the House of Representatives the 28th day of April, 2022.

Presiding Officer of the House of
Representatives

Passed the Senate the ____ day of _____, 2022.

Presiding Officer of the Senate

1 ENGROSSED SENATE
2 BILL NO. 1848

By: Montgomery of the Senate

3 and

4 Hilbert of the House

5
6 [medical marijuana tax - apportionment - Drug and
7 Alcohol Abuse Revolving Fund - codification -
8 effective date -
9 emergency]

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

11 SECTION 8. AMENDATORY 63 O.S. 2021, Section 426, as
12 amended by Section 2, Chapter 563, O.S.L. 2021, is amended to read
13 as follows:

14 Section 426. A. The tax on retail medical marijuana sales will
15 be established at seven percent (7%) of the gross amount received by
16 the seller.

17 B. This tax will be collected at the point of sale. Except as
18 provided for in subsection D, tax proceeds will be applied primarily
19 to finance the regulatory office.

20 C. Except as provided for in subsection D, if proceeds from the
21 levy authorized by subsection A of this section exceed the budgeted
22 amount for running the regulatory office, any surplus shall be
23 apportioned with seventy-five percent (75%) going to the General
24 Revenue Fund and may only be expended for common education including

1 funding redbud school grants pursuant to Section 3-104 of Title 70
2 of the Oklahoma Statutes. Twenty-five percent (25%) shall be
3 apportioned to the Oklahoma State Department of Health and earmarked
4 for drug and alcohol rehabilitation.

5 D. For fiscal year 2022 and subsequent fiscal years, proceeds
6 from the levy authorized by subsection A of this section shall be
7 apportioned as follows:

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

- 10 a. ~~fifty-nine and twenty-three hundredths percent~~
11 ~~(59.23%)~~ sixty-four percent (64%) to the State Public
12 Common School Building Equalization Fund,
- 13 b. ~~thirty-four and sixty-two hundredths percent (34.62%)~~
14 thirty percent (30%) to the Oklahoma Medical Marijuana
15 Authority, a division within the Oklahoma State
16 Department of Health, and
- 17 c. ~~six and fifteen hundredths percent (6.15%)~~ six percent
18 (6%) to the ~~Oklahoma State Department of Health and~~
19 ~~earmarked for drug and alcohol rehabilitation~~ Drug and
20 Alcohol Rehabilitation Fund created in Section 2 of
21 this act; and

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

24

1 SECTION 9. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2-312 of Title 43A, unless there
3 is created a duplication in numbering, reads as follows:

4 There is hereby created in the State Treasury a revolving fund
5 for the Oklahoma Department of Mental Health and Substance Abuse
6 Services to be designated the "Drug and Alcohol Abuse Revolving
7 Fund". The fund shall be a continuing fund, not subject to fiscal
8 year limitations, and shall consist of all monies received by the
9 Oklahoma Department of Mental Health and Substance Abuse Services
10 from apportionments pursuant to Section 426 of Title 63 of the
11 Oklahoma Statutes. All monies accruing to the credit of the fund
12 are hereby appropriated and may be budgeted and expended by the
13 Oklahoma Department of Mental Health and Substance Abuse Services
14 for the purpose of drug and alcohol rehabilitation and prevention.
15 Expenditures from the fund shall be made upon warrants issued by the
16 State Treasurer against claims filed as prescribed by law with the
17 Director of the Office of Management and Enterprise Services for
18 approval and payment.

19 SECTION 10. This act shall become effective July 1, 2022.

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

24

