

STATE OF OKLAHOMA

2nd Session of the 58th Legislature (2022)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
SENATE BILL NO. 1848

By: Montgomery of the Senate
and
Hilbert of the House

COMMITTEE SUBSTITUTE

[revenue and taxation - medical marijuana -
apportionment - effective date -
emergency]

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

SECTION 1. AMENDATORY 63 O.S. 2021, Section 426, as
amended by Section 2, Chapter 563, O.S.L. 2021, is amended to read
as follows:

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

B. This tax will be collected at the point of sale. Except as
provided for in subsection ~~D~~ C of this section, tax proceeds ~~will be~~

~~applied primarily to finance the regulatory office shall be~~
~~appropriated in amounts as authorized by the Oklahoma Legislature.~~

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

1. Thirty-five and seven-tenths percent (35.7%) of the total
proceeds of the levy to the Oklahoma Medical Marijuana Authority
Revolving Fund for operations, but in no event shall the total
amount apportioned in any fiscal year pursuant to this paragraph
exceed Twenty-three Million Six Hundred Thousand Dollars
(\$23,600,000.00);

2. Forty-four and six hundred twenty-five thousandths percent
(44.625%) of the total proceeds of the levy to the State Public
Common School Building Equalization Fund for the purpose of funding
redbud school grants pursuant to Section 3-104 of Title 70 of the
Oklahoma Statutes. ~~Twenty-five percent (25%) shall be apportioned,~~
but in no event shall the total amount apportioned in any fiscal
year pursuant to this paragraph exceed the amount of redbud school
grant funds awarded pursuant to subsection B 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 Oklahoma State
3 Department of Mental Health and Substance Abuse Services and
4 earmarked for drug and alcohol rehabilitation, but in no event shall
5 the total amount apportioned in any fiscal year pursuant to this
6 paragraph exceed Ten Million Dollars (\$10,000,000.00); and

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 in Engrossed House Bill No. 3530 of the 2nd Session of the
10 58th Oklahoma Legislature, but in no event shall the total amount
11 apportioned in any fiscal year pursuant to this paragraph exceed
12 Three Million Two Hundred Thousand Dollars (\$3,200,000.00).

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

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

17 ~~a. fifty-nine and twenty-three hundredths percent~~
18 ~~(59.23%) to the State Public Common School Building~~
19 ~~Equalization Fund,~~

20 ~~b. thirty-four and sixty-two hundredths percent (34.62%)~~
21 ~~to the Oklahoma Medical Marijuana Authority, a~~
22 ~~division within the Oklahoma State Department of~~
23 ~~Health, and~~

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

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

SECTION 2. AMENDATORY 68 O.S. 2021, Section 1353, is amended to read as follows:

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

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

Fiscal Year	Amount
FY 2003 and FY 2004	86.04%
FY 2005	85.83%

FY 2006	85.54%
FY 2007	85.04%
FY 2008 through FY 2022	83.61%
FY 2023 through FY 2027	83.36%
FY 2028 and each fiscal year thereafter	83.61%;

2. The following amounts shall be paid to the State Treasurer to be placed to the credit of the Education Reform Revolving Fund of the State Department of Education:

a. for FY 2003, FY 2004 and FY 2005, ten and forty-two one-hundredths percent (10.42%),

b. for FY 2006 through FY 2020, ten and forty-six one-hundredths percent (10.46%),

c. for FY 2021:

(1) for the month beginning July 1, 2020, through the month ending August 31, 2020, ten and forty-six one-hundredths percent (10.46%), and

(2) for the month beginning September 1, 2020, through the month ending June 30, 2021, eleven and ninety-six one-hundredths percent (11.96%),

d. for FY 2022 and each fiscal year thereafter, ten and forty-six one-hundredths percent (10.46%);

3. The following amounts shall be paid to the State Treasurer to be placed to the credit of the Teachers' Retirement System Dedicated Revenue Revolving Fund:

1	Fiscal Year	Amount
2	FY 2003 and FY 2004	3.54%
3	FY 2005	3.75%
4	FY 2006	4.0%
5	FY 2007	4.5%
6	FY 2008 through FY 2020	5.0%
7	FY 2021:	
8	a. for the month beginning July	
9	1, 2020, through the month	
10	ending August 31, 2020	5.0%
11	b. for the month beginning	
12	September 1, 2020, through	
13	the month ending June 30,	
14	2021	3.5%
15	FY 2022	5.0%
16	FY 2023 through FY 2027	5.25%
17	FY 2028 and each fiscal year thereafter	5.0%;
18	4. a. except as otherwise provided in subparagraph b of this	
19	paragraph, for the fiscal year beginning July 1, 2015,	
20	and for each fiscal year thereafter, eighty-seven one-	
21	hundredths percent (0.87%) shall be paid to the State	
22	Treasurer to be further apportioned as follows:	
23	(1) thirty-six percent (36%) shall be placed to the	
24	credit of the Oklahoma Tourism Promotion	

1 Revolving Fund, but in no event shall such
2 apportionment exceed Five Million Dollars
3 (\$5,000,000.00) in any fiscal year, and

4 (2) sixty-four percent (64%) shall be placed to the
5 credit of the Oklahoma Tourism Capital
6 Improvement Revolving Fund, but in no event shall
7 such apportionment exceed Nine Million Dollars
8 (\$9,000,000.00) in any fiscal year, and

9 b. any amounts which exceed the limitations of
10 subparagraph a of this paragraph shall be placed to
11 the credit of the General Revenue Fund; and

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

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

1 sales tax revenue of such municipality or county exempted by the
2 provisions of Section 1357.10 of this title and subsection F of
3 Section 2701 of this title. The Oklahoma Tax Commission shall
4 promulgate and adopt rules necessary to implement the provisions of
5 this subsection.

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

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

- 10 a. Nine Million Six Hundred Thousand Dollars
11 (\$9,600,000.00) to the credit of the State Highway
12 Construction and Maintenance Fund created in Section
13 1501 of Title 69 of the Oklahoma 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;

18 2. For the month ending September 30, 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 3. For the month ending October 31, 2019:

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

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

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

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

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

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

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

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

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

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

2. Forty-four and six hundred twenty-five thousandths percent (44.625%) of the total proceeds of the levy to the State Public Common School Building Equalization Fund for the purpose of funding redbud school grants pursuant to Section 3-104 of Title 70 of the

1 Oklahoma Statutes, but in no event shall the total amount
2 apportioned in any fiscal year pursuant to this paragraph exceed the
3 amount of redbud school grant funds awarded pursuant to subsection B
4 of Section 3-104 of Title 70 of the Oklahoma Statutes;

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

11 4. Four and eight-tenths percent (4.8%) of the total proceeds
12 of the levy to the County Sheriff Public Safety Grant Revolving Fund
13 created in Engrossed House Bill No. 3530 of the 2nd Session of the
14 58th Oklahoma Legislature, but in no event shall the total amount
15 apportioned in any fiscal year pursuant to this paragraph exceed One
16 Million Eight Hundred Thousand Dollars (\$1,800,000.00);

17 5. The dollar amounts otherwise prescribed by paragraphs 1
18 through 4 of this subsection shall be subject to a final estimate as
19 determined by the Oklahoma Tax Commission each fiscal year; and

20 6. Any surplus amounts available pursuant to the provisions of
21 this subsection, shall be remitted to the General Revenue Fund.

22 SECTION 3. This act shall become effective July 1, 2022.

23 SECTION 4. It being immediately necessary for the preservation
24 of the public peace, health or safety, an emergency is hereby

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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