

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend HB2323 \_\_\_\_\_  
Of the printed Bill  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by  
inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Amendment submitted by: Kyle Hilbert

Adopted: \_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

STATE OF OKLAHOMA

1st Session of the 59th Legislature (2023)

PROPOSED COMMITTEE  
SUBSTITUTE  
FOR  
HOUSE BILL NO. 2323

By: Hilbert

PROPOSED COMMITTEE SUBSTITUTE

An Act relating to revenue and taxation; amending 63 O.S. 2021, Sections 426, as amended by Section 27, Chapter 228, O.S.L. 2022 and 427.3, as amended by Section 1, Chapter 342, O.S.L. 2022 (63 O.S. Supp. 2022, Sections 426 and 427.3), which relate to medical marijuana excise tax and administration; providing for apportionment of excise tax on medical marijuana to certain funds; amending 68 O.S. 2021, Section 1353, as amended by Section 3, Chapter 412, O.S.L. 2022 (68 O.S. Supp. 2022, Section 1353), which relates to the apportionment of sales tax; modifying apportionment; providing for apportionment of sales tax revenues to certain funds; amending 70 O.S. 2021, Section 3-104, which relates to the powers and duties of the State Board of Education; requiring information regarding certain revenue amounts to be provided to the Oklahoma Tax Commission; providing an effective date; and declaring an 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 27, Chapter 228, O.S.L. 2022 (63 O.S. Supp. 2022, Section 426), is amended to read as follows:

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~~ C of this section, tax proceeds ~~will be~~  
6 ~~applied primarily to finance the regulatory office~~ shall be  
7 appropriated in amounts as authorized by the Oklahoma Legislature.

8       C. ~~Except as provided for in subsection D, if~~ For the fiscal  
9 year beginning July 1, 2023, and each subsequent fiscal year,  
10 proceeds from the levy authorized by subsection A of this section  
11 ~~exceed the budgeted amount for running the regulatory office, any~~  
12 ~~surplus~~ shall be apportioned ~~with seventy-five percent (75%) going~~  
13 ~~to the General Revenue Fund and may only be expended for common~~  
14 ~~education including~~ as follows:

15       1. Thirty-five and seven-tenths percent (35.7%) of the total  
16 proceeds of the levy to the Oklahoma Medical Marijuana Authority  
17 Revolving Fund for operations, but in no event shall the total  
18 amount apportioned in any fiscal year pursuant to this paragraph  
19 exceed Twenty-three Million Six Hundred Thousand Dollars  
20 (\$23,600,000.00);

21       2. Forty-four and six hundred twenty-five thousandths percent  
22 (44.625%) of the total proceeds of the levy to the State Public  
23 Common School Building Equalization Fund for the purpose of funding  
24 redbud school grants pursuant to Section 3-104 of Title 70 of the

1 Oklahoma Statutes. ~~Twenty-five percent (25%) shall be apportioned,~~  
2 but in no event shall the total amount apportioned in any fiscal  
3 year pursuant to this paragraph exceed the amount of redbud school  
4 grant funds awarded pursuant to subsection B of Section 3-104 of  
5 Title 70 of the Oklahoma Statutes;

6 3. Fourteen and eight hundred seventy-five thousandths percent  
7 (14.875%) of the total proceeds of the levy to the State Department  
8 of Mental Health and Substance Abuse Services and earmarked for drug  
9 and alcohol rehabilitation and prevention, but in no event shall the  
10 total amount apportioned in any fiscal year pursuant to this  
11 paragraph exceed Ten Million Dollars (\$10,000,000.00);

12 and

13 4. Four and eight-tenths percent (4.8%) of the total proceeds  
14 of the levy to the County Sheriff Public Safety Grant Revolving Fund  
15 created pursuant to Section 427.3a of this title, but in no event  
16 shall the total amount apportioned in any fiscal year pursuant to  
17 this paragraph exceed Three Million Two Hundred Thousand Dollars  
18 (\$3,200,000.00).

19 D. Pursuant to Section 14 of this act, the Oklahoma Tax  
20 Commission shall have authority to assess, collect and enforce the  
21 tax specified in subsection A of this section including any interest  
22 and penalty thereon.

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

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

3           ~~a. fifty-nine and twenty-three hundredths percent~~  
4           ~~(59.23%) to the State Public Common School Building~~  
5           ~~Equalization Fund,~~

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

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

13       ~~2.~~ Any surplus collections available pursuant to the provisions  
14 of subsection C of this section shall be apportioned to the General  
15 Revenue Fund of the State Treasury.

16       SECTION 2.       AMENDATORY       63 O.S. 2021, Section 427.3, as  
17 amended by Section 1, Chapter 342, O.S.L. 2022 (63 O.S. Supp. 2022,  
18 Section 427.3), is amended to read as follows:

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

1 research, and the use of and sale of medical marijuana pursuant to  
2 the Oklahoma Medical Marijuana and Patient Protection Act.

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

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

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

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

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

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

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 Authority;

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 Authority 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;

7        11. Establish regulations, which require a medical marijuana  
8 business to submit information to the Authority, deemed reasonably  
9 necessary to assist the Authority in the prevention of diversion of  
10 medical marijuana by a licensed medical marijuana business. Such  
11 information required by the Authority may include, but shall not be  
12 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. Declare and establish a moratorium on processing and  
2 issuing new medical marijuana business licenses pursuant to Section  
3 427.14 of this title for an amount of time the Authority deems  
4 necessary; and

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

13        SECTION 3.        AMENDATORY        68 O.S. 2021, Section 1353, as  
14 amended by Section 3, Chapter 412, O.S.L. 2022 (68 O.S. Supp. 2022,  
15 Section 1353), is amended to read as follows:

16        Section 1353. Purpose of article - Apportionment of revenues.

17        A. It is hereby declared to be the purpose of the Oklahoma  
18 Sales Tax Code to provide funds for the financing of the program  
19 provided for by the Oklahoma Social Security Act and to provide  
20 revenues for the support of the functions of the state government of  
21 Oklahoma, and for this purpose it is hereby expressly provided that,  
22 revenues derived pursuant to the provisions of the Oklahoma Sales  
23 Tax Code, subject to the apportionment requirements for the Oklahoma  
24 Tax Commission and Office of Management and Enterprise Services

1 Joint Computer Enhancement Fund provided by Section 265 of this  
2 title, shall be apportioned as follows:

3 1. Except as provided in subsections C and D of this section,  
4 the following amounts shall be paid to the State Treasurer to be  
5 placed to the credit of the General Revenue Fund to be paid out  
6 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%;

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

- 18 a. for FY 2003, FY 2004 and FY 2005, ten and forty-two  
19 one-hundredths percent (10.42%),  
20 b. for FY 2006 through FY 2020, ten and forty-six one-  
21 hundredths percent (10.46%),  
22 c. for FY 2021:  
23  
24

- (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:

Fiscal Year	Amount
FY 2003 and FY 2004	3.54%
FY 2005	3.75%
FY 2006	4.0%
FY 2007	4.5%
FY 2008 through FY 2020	5.0%
FY 2021:	

- a. for the month beginning July 1, 2020, through the month ending August 31, 2020 5.0%
- b. for the month beginning September 1, 2020, through

the month ending June 30,  
2021 3.5%  
FY 2022 5.0%  
FY 2023 through FY 2027 5.25%  
FY 2028 and each fiscal year thereafter 5.0%;

4. a. except as otherwise provided in subparagraph b of this paragraph, for the fiscal year beginning July 1, 2022, and for each fiscal year thereafter, eighty-seven one-hundredths percent (0.87%) shall be paid to the State Treasurer to be further apportioned as follows:

(1) twenty-four percent (24%) shall be placed to the credit of the Oklahoma Tourism Promotion Revolving Fund, but in no event shall such apportionment exceed Five Million Dollars (\$5,000,000.00) in any fiscal year,

(2) forty-four percent (44%) shall be placed to the credit of the Oklahoma Tourism Capital Improvement Revolving Fund, but in no event shall such apportionment exceed Nine Million Dollars (\$9,000,000.00) in any fiscal year, and

(3) thirty-two percent (32%) shall be placed to the credit of the Oklahoma Route 66 Commission Revolving Fund, but in no event shall such apportionment exceed Six Million Six Hundred

Thousand Dollars (\$6,600,000.00) in any fiscal year, and

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

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

B. Provided, for the fiscal year beginning July 1, 2007, and every fiscal year thereafter, an amount of revenue shall be apportioned to each municipality or county which levies a sales tax subject to the provisions of Section 1357.10 of this title and subsection F of Section 2701 of this title equal to the amount of sales tax revenue of such municipality or county exempted by the provisions of Section 1357.10 of this title and subsection F of Section 2701 of this title. The Oklahoma Tax Commission shall promulgate and adopt rules necessary to implement the provisions of this subsection.

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

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

5 a. Nine Million Six Hundred Thousand Dollars  
6 (\$9,600,000.00) to the credit of the State Highway  
7 Construction and Maintenance Fund created in Section  
8 1501 of Title 69 of the Oklahoma Statutes, and

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

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

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

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

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

23 a. Twenty Million Dollars (\$20,000,000.00) to the credit  
24 of the State Highway Construction and Maintenance Fund

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;

4. For the month ending November 30, 2019:

- a. Twenty Million Dollars (\$20,000,000.00) to the credit of the State Highway Construction and Maintenance Fund 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; and

5. For the month ending December 31, 2019:

- a. Twenty Million Dollars (\$20,000,000.00) to the credit of the State Highway Construction and Maintenance Fund 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.

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

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

15 2. Forty-four and six hundred twenty-five thousandths percent  
16 (44.625%) of the total proceeds of the levy to the State Public  
17 Common School Building Equalization Fund for the purpose of funding  
18 redbud school grants pursuant to Section 3-104 of Title 70 of the  
19 Oklahoma Statutes, but in no event shall the total amount  
20 apportioned in any fiscal year pursuant to this paragraph exceed the  
21 amount of redbud school grant funds awarded pursuant to subsection B  
22 of Section 3-104 of Title 70 of the Oklahoma Statutes;

23 3. Fourteen and eight hundred seventy-five thousandths percent  
24 (14.875%) of the total proceeds of the levy to the Department of



1 Mental Health and Substance Abuse Services and earmarked for drug  
2 and alcohol rehabilitation, but in no event shall the total amount  
3 apportioned in any fiscal year pursuant to this paragraph exceed  
4 Five Million Five Hundred Thousand Dollars (\$5,500,000.00);

5 4. Four and eight-tenths percent (4.8%) of the total proceeds  
6 of the levy to the County Sheriff Public Safety Grant Revolving Fund  
7 created pursuant to Section 427.3a of Title 63 of the Oklahoma  
8 Statutes, but in no event shall the total amount apportioned in any  
9 fiscal year pursuant to this paragraph exceed One Million Eight  
10 Hundred Thousand Dollars (\$1,800,000.00);

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

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

17 SECTION 4. AMENDATORY 70 O.S. 2021, Section 3-104, is  
18 amended to read as follows:

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

23 1. Adopt policies and make rules for the operation of the  
24 public school system of the state;

1        2. Appoint, prescribe the duties and fix the compensation of a  
2 secretary, an attorney and all other personnel necessary for the  
3 proper performance of the functions of the State Board of Education.  
4 The secretary shall not be a member of the Board;

5        3. Submit to the Governor a departmental budget based upon  
6 major functions of the Department as prepared by the State  
7 Superintendent of Public Instruction and supported by detailed data  
8 on needs and proposed operations as partially determined by the  
9 budgetary needs of local school districts filed with the State Board  
10 of Education for the ensuing fiscal year. Appropriations therefor  
11 shall be made in lump-sum form for each major item in the budget as  
12 follows:

- 13            a. State Aid to schools,
- 14            b. the supervision of all other functions of general and  
15                special education including general control, free  
16                textbooks, school lunch, Indian education and all  
17                other functions of the Board and an amount sufficient  
18                to adequately staff and administer these services, and
- 19            c. the Board shall determine the details by which the  
20                budget and the appropriations are administered.  
21                Annually, the Board shall make preparations to  
22                consolidate all of the functions of the Department in  
23                such a way that the budget can be based on two items,  
24                administration and aid to schools. A maximum amount

1           for administration shall be designated as a part of  
2           the total appropriation;

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

8           a. detailed statistics and other information concerning  
9           enrollment, attendance, expenditures including State  
10          Aid, and other pertinent data for all public schools  
11          in this state,

12          b. reports from each and every division within the State  
13          Department of Education as submitted by the State  
14          Superintendent of Public Instruction and any other  
15          division, department, institution or other agency  
16          under the supervision of the Board,

17          c. recommendations for the improvement of the public  
18          school system of the state,

19          d. a statement of the receipts and expenditures of the  
20          State Board of Education for the past year, and

21          e. a statement of plans and recommendations for the  
22          management and improvement of public schools and such  
23          other information relating to the educational  
24

1 interests of the state as may be deemed necessary and  
2 desirable;

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

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

18 a. the State Department of Education shall not issue a  
19 certificate to and shall revoke the certificate of any  
20 person who has been convicted, whether upon a verdict  
21 or plea of guilty or upon a plea of nolo contendere,  
22 or received a suspended sentence or any probationary  
23 term for a crime or an attempt to commit a crime  
24 provided for in Section 843.5 of Title 21 of the

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

b. all funds collected by the State Department of Education for the issuance of certificates to instructional, supervisory and administrative personnel in the public schools of the state shall be deposited in the "Teachers' Certificate Fund" in the State Treasury and may be expended by the State Board of Education to finance the activities of the State Department of Education necessary to administer the program, for consultative services, publication costs, actual and necessary travel expenses as provided in the State Travel Reimbursement Act incurred by persons

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

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

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

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



1 which provide in-person or blended instruction, as provided by  
2 Section 1-111 of this title, to not less than two-thirds (2/3) of  
3 students as the primary means of instructional service delivery.

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

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

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

17 SECTION 5. This act shall become effective July 1, 2023.

18 SECTION 6. It being immediately necessary for the preservation  
19 of the public peace, health or safety, an emergency is hereby  
20 declared to exist, by reason whereof this act shall take effect and  
21 be in full force from and after its passage and approval.

22  
23 59-1-7221 MAH 02/14/23  
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