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February 14, 2024

COMMITTEE SUBSTITUTE
FOR

SENATE BILL NO. 1289

By: Garvin

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[ tax procedure - medical marijuana - effective date -
                                     emergency ]
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BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 63 O.S. 2021, Section 426, as last amended by Section 1, Chapter 34, 1st Extraordinary Session, O.S.L. 2023 (63 O.S. Supp. 2023, Section 426), is amended to read as follows:

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

B. This tax shall be collected at the point of sale. Except as provided for in ~~subsection D~~ subsections C and D of this section, tax proceeds shall be deposited into the Medical Marijuana Tax Fund created in ~~Section 3 of this act~~ Section 427.5a of this title.

C. Pursuant to Section 255.2 of Title 68 of the Oklahoma Statutes, the Oklahoma Tax Commission shall have authority to

1 assess, collect and enforce the tax specified in subsection A of
2 this section including any interest and penalty thereon. For fiscal
3 year 2025 and subsequent fiscal years, the Commission shall retain
4 one and five-tenths percent (1.5%) of gross collection proceeds of
5 the tax specified in subsection A of this section.

6 D. For fiscal year 2022, proceeds from the levy authorized by
7 subsection A of this section shall be 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%) to the State Public Common School Building
12 Equalization Fund,

13 b. thirty-four and sixty-two hundredths percent (34.62%)

14 to the Oklahoma Medical Marijuana Authority, ~~a~~
15 ~~division within the State Department of Health,~~ and

16 c. six and fifteen hundredths percent (6.15%) to the

17 State Department of Health and earmarked for drug and
18 alcohol rehabilitation; and

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

21 E. If any medical marijuana business licensee intentionally
22 does not remit the taxes as required by the provisions of this
23 section or the provisions of Section 1354 of Title 68 of the
24 Oklahoma Statutes, the Authority shall permanently revoke the

1 medical marijuana business license of the business licensee and the
2 business licensee shall be permanently ineligible to receive any
3 other type of medical marijuana business license issued by the
4 Authority, including licenses for a dispensary, commercial grower
5 operation, processing facility, transporter, research, education
6 facility, and waste disposal facility.

7 SECTION 2. AMENDATORY 68 O.S. 2021, Section 255.2, as
8 amended by Section 6, Chapter 113, O.S.L. 2023 (68 O.S. Supp. 2023,
9 Section 255.2), is amended to read as follows:

10 Section 255.2. As provided in Section 426 of Title 63 of the
11 Oklahoma Statutes, the Oklahoma Medical Marijuana Authority and the
12 Oklahoma Tax Commission shall enter into a contract whereby the Tax
13 Commission shall ~~have authority to~~ assess, collect, and enforce the
14 seven percent (7%) tax on retail medical marijuana sales and any
15 penalties and interest thereon. Such assessment, collection, and
16 enforcement ~~authority~~ shall apply to any tax and any penalty or
17 interest liability on retail medical marijuana sales existing at the
18 time of contracting. The contract shall provide for the assessment,
19 collection, and enforcement of the tax on retail medical marijuana
20 sales in the same manner as the administration, collection, and
21 enforcement of any tax payable by any taxpayer subject to taxation
22 under any state tax law. For providing ~~such~~ collection assistance,
23 the Tax Commission shall ~~charge the Oklahoma Medical Marijuana~~
24 ~~Authority a fee of~~ retain one and five-tenths percent (1.5%) of the

1 gross collection proceeds. All funds retained by the Tax Commission
2 for the collection services shall be deposited in the Tax Commission
3 Reimbursement Fund in the State Treasury.

4 SECTION 3. This act shall become effective July 1, 2024.

5 SECTION 4. It being immediately necessary for the preservation
6 of the public peace, health or safety, an emergency is hereby
7 declared to exist, by reason whereof this act shall take effect and
8 be in full force from and after its passage and approval.

9 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
10 February 14, 2024 - DO PASS AS AMENDED BY CS
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