

BILL SUMMARY
2nd Session of the 58th Legislature

Bill No.:	HB 3083
Version:	CS
Request Number:	10873
Author:	Pro Tem Hilbert
Date:	3/17/2022
Impact:	Tax Commission:

**Modified Apportionment of
Medical Marijuana Excise Tax Revenue**

Research Analysis

Pending

Prepared By: House Research Staff

Fiscal Analysis

Analysis provided by the Tax Commission:

The Committee Substitute for HB 3083 proposes to amend 63 O.S. § 426, modifying apportionment of the 7% tax on retail medical marijuana sales.

Except for FY 22, tax proceeds are applied primarily to finance the Oklahoma Medical Marijuana Authority, and if proceeds exceed the budgeted amount for running the Authority, any surplus is apportioned as follows:

- 75% of the surplus to General Revenue Fund to be expended only for common education, including funding redbud school grants; and
- 25% of the surplus to the Oklahoma State Department of Health to be earmarked for drug and alcohol rehabilitation.

For FY 22, the first \$65 million of tax proceeds are apportioned as follows:

- 59.23% to the State Public Common School Building Equalization Fund;
- 34.62% to the Oklahoma Medical Marijuana Authority; and
- 6.15% to the Oklahoma State Department of Mental Health to be earmarked for drug and alcohol rehabilitation.

Any surplus collections are apportioned to the General Revenue Fund of the State Treasury.

Under this proposal, beginning for FY 23 and each subsequent fiscal year, tax proceeds are apportioned as follows:

- 55% of the total proceeds to the Oklahoma Medical Marijuana Authority, not to exceed \$42 million per fiscal year;
- 33.75% of the total proceeds to the State Public Common School Building Equalization Fund for the purpose of funding redbud school grants, not to exceed per fiscal year the amount of redbud school grant funds awarded; and
- 11.25% of the total proceeds to the Department of Mental Health and Substance Abuse Services, not to exceed \$7.5 million per fiscal year.

HB 3083 is not expected to impact collections attributable to retail sales of medical marijuana.

Prepared By: Mark Tygret

Other Considerations

It is unclear from the language of this proposal the manner in which the OTC is to be notified of the amount of redbud school grant funds awarded. In addition, it is unclear how any proceeds that exceed the proposed caps should be apportioned.

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