

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 3083</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>88448</b>
<b>Author:</b>	<b>Rep. Hilbert</b>
<b>Date:</b>	<b>2/22/2022</b>
<b>Impact:</b>	<b>Tax Commission:</b>

**Medical Marijuana Tax**

**No Change in Revenue  
Modifies Apportionment**

**Research Analysis**

HB 3083 adjusts apportionments for the 7 percent sales tax on medical marijuana. For the fiscal year beginning July 1, 2022, and each fiscal year thereafter, apportionments will be as follows:

- 55 percent for the operation of the Oklahoma Medical Marijuana Authority, not to exceed \$36 million in any fiscal year;
- 33.75 percent to the State Public Common School Building Equalization Fund, not to exceed the total amount apportioned in any fiscal year the amount of redbud school grant funds; and
- 11.25 percent to the Oklahoma State Department of Mental Health and Substance Abuse Services for drug and alcohol rehabilitation, not to exceed \$7.5 million in any fiscal year;

Prepared By: Emily McPherson

**Fiscal Analysis**

Analysis provided by the Tax Commission:

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 \$36 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.

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.

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

Prepared By: Mark Tygret

**Other Considerations**

None.