

1 State of Arkansas *As Engrossed: H2/2/17 S3/6/17*

2 91st General Assembly

A Bill

3 Regular Session, 2017

HOUSE BILL 1369

4

5 By: Representative House

6 By: Senator Irvin

7

8

For An Act To Be Entitled

9 AN ACT TO AMEND THE ARKANSAS MEDICAL MARIJUANA
10 AMENDMENT OF 2016 REGARDING THE TAXATION AND
11 DISTRIBUTION OF PROCEEDS; TO CREATE THE MEDICAL
12 MARIJUANA COMMISSION FUND AND THE ARKANSAS MEDICAL
13 MARIJUANA IMPLEMENTATION AND OPERATIONS SPECIAL
14 REVENUE FUND; AND FOR OTHER PURPOSES.

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Subtitle

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26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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28 SECTION 1. Pursuant to § 23 of Arkansas Constitution, Amendment 98,
29 also known as the "Arkansas Medical Marijuana Amendment of 2016", Arkansas
30 Constitution, Amendment 98, § 17, is amended to read as follows:

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§ 17. Taxation and distribution of proceeds.

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(a) The sale of usable marijuana is subject to all state and local
33 sales taxes at the same rate as other goods.

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(b) The ~~states~~ state sales tax revenues received by the Department of
35 Finance and Administration from the sale of usable marijuana under this
36 amendment shall be distributed as follows:



1 (1) All moneys received as part of this amendment are designated
2 as special revenue and the funds collected shall be deposited in the State
3 Treasury and credited to the Arkansas Medical Marijuana Implementation and
4 Operations Fund;

5 (2) All moneys received as part of this amendment prior to the
6 effective date of this section shall be immediately transferred to the
7 Arkansas Medical Marijuana Implementation and Operations Fund upon the
8 effective date of this section;

9 (3) In order for the Chief Fiscal Officer of the State to
10 determine the expenses that state agencies incurred due to the passage of
11 this amendment, the following state entities shall submit a report to the
12 Chief Fiscal Officer of the State no later than May 1 of each year of the
13 projected expenses for the next fiscal year, including without limitation
14 expenses as set out in subdivision (b)(4) of this section:

15 (A) The Alcoholic Beverage Control Division of the
16 Department of Finance and Administration;

17 (B) The Department of Health;

18 (C) The Medical Marijuana Commission; and

19 (D) Any other state agency that incurs implementation,
20 administration, or enforcement expenses related to this amendment; and

21 (4)(A) From time to time, the Chief Fiscal Officer of the State
22 shall transfer on his or her books and those of the Treasurer of State and
23 the Auditor of State the amounts as set out in subdivision (b)(3) of this
24 section or so much as is available in proportion to the amount identified by
25 each agency in subdivision (b)(3) of this section from the Arkansas Medical
26 Marijuana Implementation and Operations Fund to the Miscellaneous Agencies
27 Fund Account for the Alcoholic Beverage Control Division of the Department of
28 Finance and Administration, the paying account as determined by the Chief
29 Fiscal Officer for the Department of Health, the Medical Marijuana Commission
30 Fund, and any other fund necessary to the implementation, administration, or
31 enforcement of this amendment to pay for or reimburse personal services,
32 operating expenses, professional fees, equipment, monitoring, auditing, and
33 other miscellaneous expenses of this amendment.

34 (B) At the end of each fiscal year, any unobligated
35 balances of the amounts transferred shall be deducted from the amount
36 transferred in the next fiscal year as authorized in subdivision (b)(4)(A) of

1 this section.

2 (C) Any unanticipated expenses or expenses over the amount
3 transferred may be added from time to time to the transfer amount authorized
4 in subdivision (b)(4)(A) of this section.

5 (D) The Department of Finance and Administration shall
6 report at the end of the fiscal year to the Legislative Council or the Joint
7 Budget Committee if during a legislative session the following information:

8 (i) The total annual amount received as a result of
9 this amendment;

10 (ii) The amount transferred to each agency; and

11 (iii) Copies of the report submitted to the Chief
12 Fiscal Officer of the State identifying estimated expenses as set out in
13 subdivision (b)(3) of this section.

14 (c) After the transfer described in subsection (b) of this section,
15 the amounts remaining in the Arkansas Medical Marijuana Implementation and
16 Operations Fund shall be distributed one hundred percent (100%) to the
17 General Revenue Fund Account.

18 ~~(1) Five percent (5%) to the Department of Health paying account~~
19 ~~or its successor fund or fund account;~~

20 ~~(2) Two percent (2%) to the Miscellaneous Agencies Fund or its~~
21 ~~successor fund or fund account to be used exclusively by the Department of~~
22 ~~Finance and Administration—Alcoholic Beverage Control Administration~~
23 ~~Division or its successor;~~

24 ~~(3) Two percent (2%) to the Miscellaneous Agencies Fund or its~~
25 ~~successor fund or fund account to be used exclusively by the Department of~~
26 ~~Finance and Administration—Alcoholic Beverage Control Enforcement Division~~
27 ~~or its successor;~~

28 ~~(4)(A) One percent (1%) to a special revenue account credited to~~
29 ~~the Medical Marijuana Commission Fund or its successor fund or fund account~~
30 ~~to be used exclusively by the Medical Marijuana Commission.~~

31 ~~(B) The General Assembly shall by law created the Medical~~
32 ~~Marijuana Commission Fund no later than July 1, 2017;~~

33 ~~(5)(A) Ten percent (10%) to the Skills Development Fund or its~~
34 ~~successor fund or fund account, to be used exclusively by the Office of~~
35 ~~Skills Development of the Department of Career Education or its successor for~~
36 ~~the development and implementation of workforce training programs.~~

1 ~~(B) The Office of Skills Development of the Department of~~
2 ~~Career Education or its successor may use revenues received under subdivision~~
3 ~~(b)(6)(A) of this section to:~~

4 ~~(i) Supplement or enhance existing programs,~~
5 ~~including without limitation grant programs; or~~

6 ~~(ii) Establish new programs, including without~~
7 ~~limitation grant programs.~~

8 ~~(C) If the Office of Skills Development of the Department~~
9 ~~of Career Education or its successor establishes a new program under~~
10 ~~subdivision (b)(6)(B) of this section, it shall promulgate rules to implement~~
11 ~~the program;~~

12 ~~(6)(A) Fifty percent (50%) to a special revenue account credited~~
13 ~~to the Vocational and Technical Training Special Revenue Fund or its~~
14 ~~successor fund or fund account, to be used exclusively by the Department of~~
15 ~~Finance and Administration or its successor for grants to technical~~
16 ~~institutes and vocational technical schools for personal services and~~
17 ~~operating expenses, scholarships, research, development and delivery of~~
18 ~~education coursework and math and science coursework, land acquisition,~~
19 ~~equipment acquisition, and infrastructure costs, including without limitation~~
20 ~~site development costs, construction, improvements, landscaping, renovation,~~
21 ~~dormitory renovation, major maintenance, and the building of roads and~~
22 ~~parking lots.~~

23 ~~(B) The General Assembly shall by law create the~~
24 ~~Vocational and Technical Training Special Revenue Fund no later than July 1,~~
25 ~~2017.~~

26 ~~(C) The Department of Finance and Administration or its~~
27 ~~successor shall promulgate rules to implement the grant program described in~~
28 ~~this subdivision (b)(7) by July 1, 2017;~~

29 ~~(7) Thirty percent (30%) to the General Revenue Fund.~~

30 ~~(e)(d)~~ An entity receiving a grant of state sales tax revenue under
31 subsection (b) of this section may make one (1) or more successive grant
32 applications for the same project or projects.

33
34 SECTION 2. Arkansas Code § 19-6-301, concerning the enumeration of
35 special revenues, is amended to add an additional subdivision to read as
36 follows:

1 (255) All sales tax revenues collected by the Department of Finance
2 and Administration from the sale of usable marijuana under the Arkansas
3 Medical Marijuana Amendment of 2016.

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5 SECTION 3. Arkansas Code Title 19, Chapter 6, Subchapter 8, is amended
6 to add additional sections to read as follows:

7 19-6-833. Arkansas Medical Marijuana Implementation and Operations
8 Fund.

9 (a) There is created on the books of the Treasurer of State, the
10 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
11 fund to be known as the “Arkansas Medical Marijuana Implementation and
12 Operations Fund”.

13 (b) The fund shall consist of:

14 (1) Moneys obtained pursuant to Arkansas Constitution, Amendment
15 98, § 17, from taxation of medical marijuana; and

16 (2) Any other revenues as may be authorized by law.

17 (c) The fund shall be used to pay expenses of state agencies incurred
18 due to the passage of Arkansas Constitution, Amendment 98, and for transfers
19 of the distributions as set out by Arkansas Constitution, Amendment 98.

20
21 19-6-834. Medical Marijuana Commission Fund.

22 (a) There is created on the books of the Treasurer of State, the
23 Auditor of State, and the Chief Fiscal Officer of the State a special revenue
24 fund to be known as the “Medical Marijuana Commission Fund”.

25 (b) The fund shall consist of:

26 (1) Funds distributed under Arkansas Constitution, Amendment 98,
27 § 17(b); and

28 (2) Other revenues and funds authorized by law.

29 (c) The Medical Marijuana Commission shall use the fund for the
30 administration of the commission and other purposes under Arkansas
31 Constitution, Amendment 98.

32
33 SECTION 4. *DO NOT CODIFY.* Review distribution of proceeds.

34 During the 2019 General Session of the General Assembly, the General
35 Assembly shall:

36 (1) Review and reexamine the distribution of the proceeds

1 received from medical marijuana under Arkansas Constitution, Amendment 98,
2 also known as the "Arkansas Medical Marijuana Amendment of 2016"; and
3 (2) Consider redirecting the proceeds or a portion of the
4 proceeds received from medical marijuana under Arkansas Constitution,
5 Amendment 98, also known as the "Arkansas Medical Marijuana Amendment of
6 2016", to workforce education within the state.

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/s/House

APPROVED: 03/27/2017