

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1369

Amendment Number: S1

Bill Subtitle: TO AMEND THE ARKANSAS MEDICAL MARIJUANA AMENDMENT OF 2016 REGARDING THE TAXATION AND DISTRIBUTION OF PROCEEDS; AND TO CREATE VARIOUS FUNDS FOR THE IMPLEMENTATION OF THE ARKANSAS MEDICAL MARIJUANA AMENDMENT OF 2016.

Basic Change :

Sponsor: Representative House

Senate Amendment 1 --- Amends the bill to correct language regarding distribution of the 1% portion of the sales tax proceeds on sales of medical marijuana and also provides that during the 2019 General Session of the General Assembly, the General Assembly shall: (1) Review and reexamine the distribution of the proceeds received from medical marijuana under Arkansas Constitution, Amendment 98, and (2) Consider redirecting the proceeds or a portion of the proceeds received from medical marijuana under Arkansas Constitution, Amendment 98, to workforce education in Arkansas.

Engrossment 02/02/17 --- House Amendment 1 --- Amends the bill to correct the distribution language of the sales taxes collected to reflect that the funds would be distributed from the Arkansas Medical Marijuana Implementation and Operations Fund to the Miscellaneous Agencies Fund Account to cover expenses incurred.

Original Bill --- HB1369 amends the current distribution of sales and use taxes collected provided in the Arkansas Medical Marijuana Amendment and creates on the books of the Treasurer of the State, the Auditor of the State, and the Chief Fiscal Officer of the State a special revenue fund to be known as "Arkansas Medical Marijuana Implementation and Operations Fund". The moneys from this fund shall be used to pay expenses incurred by state agencies due to the passage of Arkansas Constitution, Amendment 98.

HB1369 also creates on the books of the Treasurer of the State, the Auditor of the State, and the Chief Fiscal Officer of the State a special revenue fund to be known as "Medical Marijuana Commission Fund". The moneys from this fund shall consist of one percent (1%) of the sales tax revenues collected from the sale of usable marijuana and used to the administration of the commission and other purposes under Arkansas Constitution, Amendment 98.

The Chief Fiscal Officer of the State will determine the proportion specified to each state agency based on the expenses that state agency incurred due to the passage of this amendment no later than May 1st of each year. At the end of each fiscal year, any unobligated balances of the amounts transferred shall be deducted from the amount transferred in the next fiscal year as authorized by this subsection.

Revenue Impact :

None.

Taxpayer Impact :

None.

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Resources Required :

None.

Time Required :

None.

Procedural Changes :

None.

Other Comments :

None.

Legal Analysis :

HB1369-S1 amends the previous bill to remove language that the Medical Marijuana Commission will receive funding as provided by subsection §17(b) of the same bill. The amendment also creates a mandatory review by the General Assembly of the disposition of medical marijuana tax proceeds in 2019. The General Assembly will, under the amendment, review the disposition of tax proceeds and determine whether those funds should be re-routed in total or in portion to workforce education.