House Bill 3296

Sponsored by Representatives SANCHEZ, PRUSAK

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Increases privilege taxes imposed upon manufacturer or importing distributor of malt beverages, wine or cider. Provides for distribution of portion of increased revenues to Oregon Health Authority for purpose of funding behavioral health and substance use programs. Holds harmless cities and counties currently receiving distributions of tax revenues from malt beverages, wine or cider. Establishes Addiction Crisis Recovery Fund. Prescribes uses of fund. Requires revenues from increased taxes to be deposited in fund. Requires biennial increase of markup prices for distilled liquor sold in state. Requires amounts due to increase to be deposited in fund. Revises distribution amounts from Oregon Liquor Control Commission Account.

Applies to manufacture or distribution of malt beverages, wine or cider occurring on or after January 1, 2022.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to revenues derived from sale of alcoholic beverages; creating new provisions; amending ORS 471.805, 471.810, 473.030, 473.035, 473.047, 473.065 and 576.877; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

Whereas Governor Kate Brown declared addiction a public health crisis in 2018; and

Whereas Oregon has the third highest untreated addiction rate in the nation; and

Whereas Oregon ranks 47th in the nation in access to addiction treatment; and

Whereas Oregon has the third highest untreated addiction rate in the nation; and

Whereas alcohol kills five times as many people as all drug overdoses combined; and

Whereas Oregon's alcohol mortality rate has increased by 34 percent in the past 21 years; and

Whereas Oregon loses $6.7 billion per year to untreated addiction; and

Whereas addiction disproportionately impacts indigenous communities, communities of color and other marginalized groups; and

Whereas addiction treatment and recovery services existed outside the health care system until the passage of the Affordable Care Act, leaving a fractured and incomplete system of care; and

Whereas Oregon lacks a statewide comprehensive approach to address the addiction crisis; and

Whereas fatal overdose rates in Oregon have spiked 70 percent since the start of the COVID-19 pandemic; and

Whereas addiction treatment capacity in Oregon has been reduced by 10 to 12 percent during the COVID-19 pandemic; and

Whereas the addiction treatment workforce has seen a seven to 10 percent reduction due to layoffs and attrition during the COVID-19 pandemic; and

Whereas half of the people experiencing homelessness report having substance use issues; and

Whereas 36 percent of Oregonians report that alcohol use is a problem in their immediate or extended families; and

Whereas 25 percent of Oregonians report that drug use is a problem in their immediate or extended families; and

NOTE: Matter in boldfaced type in an amended section is new; matter [italic and bracketed] is existing law to be omitted. New sections are in boldfaced type.

LC 1581
Whereas Oregon families displaced by the 2020 wildfires face a greater risk of addiction and mental health issues; and
Whereas Oregon has the fifth highest adolescent addiction rate in the nation; and
Whereas Governor Brown’s declaration marshals state resources to focus on the crisis of addiction and frames the epidemic as a public health crisis as opposed to a criminal justice issue; now, therefore,

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 473.030 is amended to read:

473.030. (1) A tax is imposed upon the privilege of engaging in business as a manufacturer or as an importing distributor of malt beverages at the rate of $2.60 per barrel of 31 gallons on all such beverages.

(2) In addition to the tax imposed by subsection (1) of this section, a manufacturer or an importing distributor of malt beverages shall be taxed at the rate of $70 per barrel of 31 gallons.

(3) A tax is imposed upon the privilege of engaging in business as a manufacturer or as an importing distributor of wines at the rate of 65 cents per gallon on all such beverages.

(4) In addition to the tax imposed by subsection (3) of this section, a manufacturer or an importing distributor of wines shall be taxed at the rate of $10 per gallon.

(5) In addition to the taxes imposed by subsections (2) and (3) of this section, a manufacturer or an importing distributor of wines containing more than 14 percent alcohol by volume shall be taxed at the rate of 10 cents per gallon.

(6) In addition to the taxes imposed by subsections (2) and (3) of this section, a manufacturer or an importing distributor of wines shall be taxed at the rate of two cents per gallon. Notwithstanding any other provision of law, all moneys collected by the Oregon Liquor Control Commission pursuant to this subsection shall be paid into the account established by the Oregon Wine Board under ORS 182.470.

(7) The rates of tax imposed by this section upon malt beverages apply proportionately to quantities in containers of less capacity than those quantities specified in this section.

(8) The taxes imposed by this section shall be measured by the volume of wine or malt beverages produced, purchased or received by any manufacturer. If the wine or malt beverage remains unsold and in the possession of the producer at the plant where it was produced, no tax imposed or levied by this section is required to be paid until the wine or malt beverage has become sufficiently aged for marketing at retail, but this subsection shall not be construed so as to alter or affect any provision of this chapter relating to tax liens or the filing of statements.

(a) The commission shall annually adjust the dollar amounts specified in subsections (2) and (4) of this section by multiplying the amounts by the percentage, if any, by which the monthly averaged Consumer Price Index for All Urban Consumers, West Region, for the 12 consecutive months ending on the immediately preceding December 31 exceeds the monthly averaged Consumer Price Index for All Urban Consumers, West Region, for the 12 consecutive months ending on the second preceding December 31.

(b) As used in this subsection, “Consumer Price Index for All Urban Consumers, West Region” means the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.

SECTION 2. ORS 473.035 is amended to read:

473.035. (1) A tax is imposed upon the privilege of engaging in business as a manufacturer or
as an importing distributor of cider at the rate of $2.60 per barrel of 31 gallons on all such 
beverages.

(2) In addition to the tax imposed by subsection (1) of this section, a manufacturer or 
an importing distributor of cider shall be taxed at the rate of $70 per barrel of 31 gallons.

(3) Notwithstanding subsection (1) subsections (1) and (2) of this section or any other 
provision of law, the taxation of the manufacturing or distribution of cider shall be at a rate that 
is not less than the rate imposed for the privilege of manufacturing or distributing malt beverages 
under ORS 473.030 (1) and (2).

(4) The [rate] rates of tax imposed by this section shall apply proportionately to quantities 
in containers of less capacity than those quantities specified in this section.

(5) The [tax] taxes imposed by this section shall be measured by the volume of cider 
produced, purchased or received by any manufacturer. If the cider remains unsold and in the pos-
session of the producer at the plant where it was produced, no tax imposed or levied by this section 
requires to be paid until the cider has become sufficiently aged for marketing at retail, but this 
subsection shall not be construed so as to alter or affect any provision of this chapter relating to 
tax liens or the filing of statements.

(a) The Oregon Liquor Control Commission shall annually adjust the dollar amount 
specified in subsection (2) of this section by multiplying the amount by the percentage, if any, 
by which the monthly averaged Consumer Price Index for All Urban Consumers, West Region, 
for the 12 consecutive months ending on the immediately preceding December 31 exceeds the monthly averaged Consumer Price Index for All Urban Consumers, West Region, 
for the 12 consecutive months ending on the second preceding December 31.

(b) As used in this subsection, "Consumer Price Index for All Urban Consumers, West Region" means the Consumer Price Index for All Urban Consumers, West Region (All Items), 

SECTION 3. The Addiction Crisis Recovery Fund is established in the State Treasury, 
separate and distinct from the General Fund. Interest earned by the Addiction Crisis Re-
covery Fund must be credited to the General Fund. The Addiction Crisis Recovery Fund 
consists of moneys deposited in the fund under ORS 471.810 and section 11 of this 2021 Act 
and may include moneys appropriated, allocated, deposited or transferred to the fund by the 
Legislative Assembly or otherwise. The moneys in the fund shall be used at the direction of 
the Alcohol and Drug Policy Commission, in alignment with the commission’s biennial stra-
tegic plan recommendations, and are continuously appropriated to the Oregon Health Au-
thority to be used as follows:

(1) The lesser, for each biennium, of 10 percent of the moneys received in the fund during 
the biennium or $74 million shall be used by the authority’s public health division to provide 
prevention services. This amount shall be distributed as follows:

(a) Sixty-one percent for interventions at the state and local level;

(b) Twelve percent for health systems and recovery supports;

(c) Twelve percent for mass-reach health communications, including statewide public 
education campaigns on the harms of addiction and on the promotion of recovery;

(d) Ten percent for data and evaluation programs; and

(e) Five percent for statewide administration and management.

(2) The lesser, for each biennium, of 20 percent of the moneys received in the fund during 
the biennium or $149 million shall be used to fund substance use treatment and services in
primary care settings, hospitals and educational facilities.

(3) The lesser, for each biennium, of 35 percent of the moneys received in the fund during the biennium or $261 million shall be used to increase access to outpatient and residential treatment, including through the establishment of culturally specific outpatient and residential treatment in each geographic region of this state as determined by a statewide needs assessment conducted by the commission, including but not limited to:

(a) Establishing an Addiction Recovery District for each geographic region of and tribe in this state, and within each district:

(A) Funding one residential treatment bed per 2,000 residents;

(B) Funding one detoxification center per 3,000 residents;

(C) Funding one intensive outpatient opening per 1,000 residents;

(D) Funding culturally relevant services reimbursed at a rate that reflects the demographic breakdown of the district’s population;

(E) Establishing medication-assisted treatment provider incentive programs that result in one medication-assisted treatment provider per 1,000 residents; and

(F) Funding one youth addiction treatment bed per 4,000 residents.

(b) Funding a statewide needs assessment conducted by the commission and an inventory of all levels of addiction treatment.

(4) The lesser, for each biennium, of 25 percent of the moneys received in the fund during the biennium or $186.5 million shall be used to establish a statewide comprehensive recovery support service model and distributed as follows:

(a) $5 million to establish a safety net grant fund for rapid access to early recovery child care, transportation and financial support;

(b) $5 million to establish a restorative justice fund to assist with the expunction of criminal records and the downward reclassification of convictions;

(c) $5 million to establish a fund to provide post-incarceration reentry services; and

(d) The remainder for the creation of:

(A) A Recovery Manager in the Oregon Health Authority who is responsible for overseeing the creation of Recovery Community Centers;

(B) A full-time Recovery Manager Advocate in the division of the authority that administers addiction treatment, recovery and prevention programs who shall be responsible for creating and managing recovery peer support services, including developing and maintaining a network of Recovery Community Organizations;

(C) A network of at least 24 Addiction Recovery Centers with at least three in each Addiction Recovery District, based on the population and cultural demographics of each district, managed by and delivering services through local recovery communities, to provide:

(i) Culturally relevant peer support;

(ii) Telephone and Internet chat access to peer recovery support 24 hours a day, seven days a week;

(iii) In-person peer support services for 12 hours a day, seven days a week; and

(iv) Multiple forms of community-based recovery supports that embrace multiple pathways to recovery, including but not limited to:

(I) 12-step mutual aid meetings;

(II) Mindfulness-based recovery support;

(III) Skill building groups and activities;
(IV) Other activities and events that support a recovery lifestyle;

(D) At least five recovery groups for youth under 18 years of age, such as recovery high schools and alternative peer groups;

(E) A collegiate recovery program on every college campus in this state; and

(F) At least one recovery house that meets the national standard set by the National Alliance for Recovery Residences per _________ residents in each Addiction Recovery District.

(5) The lesser, for each biennium, of nine percent of the moneys received in the fund during the biennium or $74 million shall be used to develop a rapid treatment and recovery workforce.

(6) The lesser, for each biennium, of one percent of the moneys received in the fund during the biennium or $7.4 million shall be used for administrative costs of the commission.

SECTION 4. ORS 471.810 is amended to read:

471.810. (1) At the end of each month, the Oregon Liquor Control Commission shall certify the amount of moneys available for distribution in the Oregon Liquor Control Commission Account and, after withholding [such] the moneys as [it] the commission may deem necessary to pay [its] the commission's outstanding obligations, shall within 35 days of the month for which a distribution is made direct the State Treasurer to pay the amounts due, upon warrants drawn by the Oregon Department of Administrative Services, as follows:

(2) Prior to making the payments required by subsection (3) of this section and except as provided in subsection (7) of this section, the commission shall transfer an amount equal to the revenues received from taxes imposed under ORS 473.030 (2) and (4) and 473.035 (2) to the Addiction Crisis Recovery Fund established under section 3 of this 2021 Act.

(3) After the transfer required under subsection (2) of this section, the remaining balance shall be paid as follows:

(a) The lesser of the amounts described in subparagraph (A) or (B) of this paragraph credited to the General Fund available for general governmental purposes wherein the amount shall be considered as revenue during the quarter immediately preceding receipt:

[(a)](A) Fifty-six percent, or the amount remaining after the distribution under [subsection (4)] subsections (6) and (8) of this section, credited to the General Fund available for general governmental purposes wherein it shall be considered as revenue during the quarter immediately preceding receipt; or

(B) $179,493,977, as modified by subsection (9) of this section;

(b) [Twenty percent] The lesser of the amounts described in subparagraph (A) or (B) of this paragraph to the cities of [the] this state:

(A) Twenty percent in such shares as the population of each city bears to the population of the cities of [the] this state, as determined by Portland State University last preceding such apportionment, under ORS 190.510 to 190.610; or

(B) $56,656,759, as modified by subsection (9) of this section;

(c) [Ten percent] The lesser of the amounts described in subparagraph (A) or (B) of this paragraph to counties:

(A) Ten percent in such shares as [their] the counties' respective populations bear to the total population of [the] this state, as estimated from time to time by Portland State University; [and] or

(B) $28,328,380, as modified by subsection (9) of this section; and

(d) [Fourteen percent] The lesser of the amounts described in subparagraph (A) or (B) of
this paragraph to the cities of [the] this state:

(A) Fourteen percent to be distributed as provided in ORS 221.770 and this section; or

(B) $36,659,731, as modified by subsection (9) of this section.

[2(2)] (4) The commission shall direct the Oregon Department of Administrative Services to transfer the lesser of 50 percent of the revenues from the taxes imposed by ORS 473.030 and 473.035 or $9,861,961, as modified by subsection (9) of this section, to the Mental Health Alcoholism and Drug Services Account in the General Fund to be paid monthly as provided in ORS 430.350.

[(3)] (5) If the amount of revenues received from the taxes imposed by ORS 473.030 for the preceding month was reduced as a result of credits claimed under ORS 473.047, the commission shall compute the difference between the amounts paid or transferred as described in subsections [(1)(b), (c) and (d) and (2)] (3)(b), (c) and (d) and (4) of this section and the amounts that would have been paid or transferred under subsections [(1)(b), (c) and (d) and (2)] (3)(b), (c) and (d) and (4) of this section if no credits had been claimed. The commission shall direct the Oregon Department of Administrative Services to pay or transfer amounts equal to the differences computed for subsections [(1)(b), (c) and (d) and (2)] (3)(b), (c) and (d) and (4) of this section from the General Fund to the recipients or accounts described in subsections [(1)(b), (c) and (d) and (2)] (3)(b), (c) and (d) and (4) of this section.

[(4)] (6) Notwithstanding subsection [(1)] (3) of this section, [no] a city or county [shall] may not receive for any fiscal year an amount less than the amount distributed to the city or county in accordance with this section and ORS 471.350 (1965 Replacement Part), [471.810,] 473.190 and 473.210 (1965 Replacement Part) during the 1966-1967 fiscal year unless the city or county had a decline in population as shown by its census. If the population declined, the per capita distribution to the city or county [shall] may be not less than the total per capita distribution during the 1966-1967 fiscal year. Any additional funds required to maintain the level of distribution under this subsection shall be paid from funds credited under subsection [(1)(a)] (3)(a) of this section.

[(5)] (7) Notwithstanding subsection [(1)] (3) of this section, amounts to be distributed from the Oregon Liquor Control Commission Account that are attributable to a per bottle surcharge imposed by the Oregon Liquor Control Commission[,] shall be credited to the General Fund.

(8) Notwithstanding subsection (3) of this section, a city or county may not receive for any fiscal year an amount less than the amount distributed to the city or county in accordance with this section during the 2022-2023 fiscal year unless the city or county had a decline in population as shown by its census. If the population declined, the per capita distribution may not be less than the total per capita distribution during the 2022-2023 fiscal year. Any additional funds required to maintain the level of distribution under this subsection shall be paid from funds credited under subsection (3)(a) of this section.

(9) The dollar amounts specified in subsections (3) and (4) of this section apply to payments required in calendar year 2022. In each subsequent calendar year, the amounts are increased by five percent from the amounts due in the immediately preceding calendar year.

SECTION 5. The Oregon Liquor Control Commission shall certify the amount distributed to each city and county in accordance with ORS 471.810 during the 2022-2023 fiscal year. The commission shall report the information described in this section to an interim committee of the Legislative Assembly related to revenue not later than December 31, 2023.

SECTION 6. ORS 473.047 is amended to read:

473.047. (1) As used in this section, “qualified marketing activity” means marketing activity:

(a) That promotes the sale of wine or wine products;
(b) That does not promote specific brands of wine or wine products or exclusively promote the products of any particular winery; and
(c) That has been approved by the Oregon Wine Board.

(2) A credit against the privilege tax otherwise due under ORS 473.030 (3) and (4) is allowed to a manufacturer or importing distributor of wine for the qualified marketing activity expenditures made by the manufacturer or importing distributor in the calendar year prior to the year for which the credit is claimed.

(3) The credit allowed under this section shall be 28 percent of the sum of the following:
(a) One hundred percent of the cost of qualified marketing activity to the extent that the cost of the activity does not exceed the amount of taxes the manufacturer or importing distributor of wine owed under ORS 473.030 (3) and (4) on the first 40,000 gallons, or 151,000 liters, of wine sold annually in Oregon; and
(b) Twenty-five percent of the tax owed under ORS 473.030 (3) and (4) for qualified marketing activity on wine sales above 40,000 gallons, or 151,000 liters, of wine sold annually in Oregon.

(4) The credit allowed under this section may not exceed the tax liability of the manufacturer or importing distributor of wine under ORS 473.030 (3) and (4) for the calendar year following the year in which qualified marketing activity occurred.

(5) A manufacturer or importing distributor of wine that wishes to claim the credit allowed under this section shall submit with the manufacturer's or importing distributor's tax return form a certificate issued by the board verifying that the marketing activity was a qualified marketing activity. The credit shall be claimed on the form and include the information required by the Oregon Liquor Control Commission by rule.

(6) The credit shall be claimed against the taxes reported on the return filed under ORS 473.060 for each month in the calendar year following the year in which the qualified marketing activity occurred, until the credit is completely used or the year ends, whichever occurs first.

(7) The board shall by rule further define, consistent with the definition in subsection (1) of this section, the marketing activities that constitute qualified marketing activity.

SECTION 7. ORS 473.065 is amended to read:

473.065. (1) If a manufacturer's total tax liability under ORS 473.030 (1) and (2) in the previous calendar year was less than $1,000, the manufacturer may deposit with the Oregon Liquor Control Commission an amount in cash equal to the manufacturer's total tax liability under ORS 473.030 (1) and (2) for the previous calendar year in lieu of the bond required by ORS 471.155 (1).

(2) If a manufacturer's actual tax liability under ORS 473.030 (1) and (2) is less than the amount deposited under subsection (1) of this section, the manufacturer may request that the commission refund the excess funds or may apply those funds toward the manufacturer's tax liability under ORS 473.030 (1) and (2) for the next calendar year.

(3) If a manufacturer's actual tax liability under ORS 473.030 (1) and (2) is greater than the amount deposited under subsection (1) of this section, the manufacturer shall pay to the commission the additional amount owed in the manner required under ORS 473.060.

(4) Unless the commission determines that a winery, grower sales privilege or warehouse licensee or direct shipper or wine self-distribution permit holder presents an unusual risk for non-payment of any license fees, privilege taxes, agricultural products taxes or other tax, penalty or interest imposed under this chapter or ORS chapter 471, the commission shall waive the bond required under ORS 471.155 (1) for the licensee or permit holder if:
(a) The licensee or permit holder was not liable for a privilege tax under this chapter in the
immediately preceding calendar year and does not expect to be liable for a privilege tax under this chapter in the current calendar year; or

(b) The licensee or permit holder of a business established during the current calendar year does not expect to be liable for a privilege tax under this chapter in the current calendar year. As used in this paragraph, “business” means:

(A) A winery.
(B) A business operated pursuant to a license issued under ORS 471.227.
(C) A warehouse.
(D) A business operated pursuant to a permit issued under ORS 471.274.
(E) A business operated pursuant to a permit issued under ORS 471.282.

SECTION 8. ORS 576.877 is amended to read:

576.877. Moneys received on behalf of the Oregon Wine Board pursuant to ORS 473.030 [(4)] (6) and 473.045 shall be deposited into the account created by the board under ORS 182.470 and are continuously appropriated to the board as provided in ORS 182.470, exclusively for use by the board in carrying out the provisions of ORS 576.850 to 576.877. The board shall allocate a portion of the moneys received from sources other than fees toward research in enology and viticulture and toward promotion of the Oregon wine grape growing and wine making industries, including administrative costs associated with either category.

SECTION 9. ORS 471.805 is amended to read:

471.805. (1) Except as otherwise provided in subsection (3) of this section and ORS 471.810 (2) and (4), all money collected by the Oregon Liquor Control Commission under this chapter and ORS chapter 473 and privilege taxes shall be remitted to the State Treasurer who shall credit it to a suspense account of the commission. Whenever the commission determines that moneys have been received by it in excess of the amount legally due and payable to the commission or that it has received money to which it has no legal interest, or that any license fee or deposit is properly refundable, the commission is authorized and directed to refund such money by check drawn upon the State Treasurer and charged to the suspense account of the commission. After withholding refundable license fees and such sum, not to exceed $250,000, as it considers necessary as a revolving fund for a working cash balance for the purpose of paying travel expenses, advances, other miscellaneous bills and extraordinary items which are payable in cash immediately upon presentation, the commission shall direct the State Treasurer to transfer the money remaining in the suspense account to the Oregon Liquor Control Commission Account in the General Fund. Moneys in the Oregon Liquor Control Commission Account are continuously appropriated to the commission to be distributed and used as required or allowed by law.

(2) All necessary expenditures of the commission incurred in carrying out the purposes required of the commission by law, including the salaries of its employees, purchases made by the commission and such sums necessary to reimburse the $250,000 revolving fund, shall be audited and paid from the Oregon Liquor Control Commission Account in the General Fund, upon warrants drawn by the Oregon Department of Administrative Services, pursuant to claims duly approved by the commission.

(3) Moneys from the retail sale of distilled liquor that are being held by an agent appointed under ORS 471.750 or by a distillery retail outlet agent appointed under ORS 471.230 are not subject to ORS 295.001 to 295.108 if the agent has on deposit with the commission an amount equaling or exceeding an amount the commission, in its discretion, deems to be reasonable and sufficient and to be not less than the average daily gross receipts from retail sales of distilled liquor by the agent. The commission shall remit moneys deposited with the commission under this subsection to the State
Treasurer for deposit to a separate reserve account of the commission. Moneys in the reserve account are not revenue of the commission for purposes of ORS 221.770. The commission shall return the deposit, and any interest earned on the deposit, if the appointment of the agent terminates and the agent has forwarded to the commission all moneys owed the commission from retail sales of distilled liquor by the agent.

SECTION 10. The amendments to ORS 471.805, 471.810, 473.030, 473.035, 473.047, 473.065 and 576.877 by sections 1, 2, 4 and 6 to 9 of this 2021 Act apply to the manufacture or distribution of malt beverages, wine or cider occurring on or after January 1, 2022.

SECTION 11. (1) The Oregon Liquor Control Commission shall determine the average wholesale price paid by the commission, and the average retail price charged by the commission, for distilled liquor in 750 milliliter containers during the biennium ending June 30, 2021. The commission shall use the wholesale and retail price information to determine the average markup percentage that the commission applied for selling distilled liquor in 750 milliliter containers during the biennium ending June 30, 2021.

(2) The commission shall determine the net proceeds from retail sales of distilled liquor by the commission during the biennium ending June 30, 2021. The commission shall report the average markup percentage determined under subsection (1) of this section, and the amount forwarded under ORS 471.805 during the preceding biennium, to an interim committee of the Legislative Assembly related to alcohol, on or before the later of November 1, 2021, or 30 days after the effective date of this 2021 Act.

(3) Notwithstanding ORS 471.745, for the period beginning January 1, 2022, and ending July 1, 2023, the commission shall establish retail prices for distilled liquor sold by the commission using a markup percentage that is equal to 1.2 multiplied by the average markup percentage determined by the commission under subsection (1) of this section.

(4)(a) In each subsequent biennium, the commission shall adjust the markup percentage calculated in subsection (3) of this section by multiplying the markup percentage by the percentage, if any, by which the monthly averaged Consumer Price Index for All Urban Consumers, West Region, for the 12 consecutive months ending on the immediately preceding December 31 exceeds the monthly averaged Consumer Price Index for All Urban Consumers, West Region, for the 12 consecutive months ending on the second preceding December 31.

(b) As used in this subsection, “Consumer Price Index for All Urban Consumers, West Region” means the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor.

(5) Not later than October 1 of each odd-numbered year, beginning in 2023, the commission shall transfer an amount attributable to the increased markup amount calculated under subsections (3) and (4) of this section, as compared to the prior biennium, to the Addiction Crisis Recovery Fund established under section 3 of this 2021 Act.

SECTION 12. This 2021 Act takes effect on the 91st day after the date on which the 2021 regular session of the Eighty-first Legislative Assembly adjourns sine die.