

House Bill 3431

Sponsored by Representatives SOSA, BYNUM, Senators FREDERICK, MANNING JR; Representatives DEXTER, HELM, NELSON, PHAM K, Senators CAMPOS, JAMA, MEEK, WOODS

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**.

Provides permanent revenue stream from Oregon Marijuana Account to fund Economic Equity Investment Program created under chapter 103, Oregon Laws 2022 (Enrolled Senate Bill 1579).

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to funding for the program to address economic inequity; creating new provisions; amend-
3 ing ORS 430.384 and 475C.726 and sections 2 and 4, chapter 103, Oregon Laws 2022; and pre-
4 scribing an effective date.

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

6 **SECTION 1.** Section 4, chapter 103, Oregon Laws 2022, is amended to read:

7 **Sec. 4.** (1) There is established in the State Treasury, separate and distinct from the General
8 Fund, the Economic Equity Investment Fund. Interest earned by the Economic Equity Investment
9 Fund shall be credited to the fund.

10 (2) All moneys in the fund are continuously appropriated to the Oregon Business Development
11 Department for the purposes of developing and implementing the Economic Equity Investment Pro-
12 gram under sections 1 to 4, *[of this 2022 Act]* **chapter 103, Oregon Laws 2022.**

13 (3) Moneys in the fund shall consist of:

14 (a) Moneys appropriated to the fund by the Legislative Assembly;

15 **(b) Moneys transferred to the fund from the Oregon Marijuana Account under ORS**
16 **475C.726;**

17 *[(b)]* **(c)** Moneys otherwise transferred to the fund by the Legislative Assembly or the Oregon
18 Business Development Department;

19 *[(c)]* **(d)** Interest earned upon moneys in the fund; and

20 *[(d)]* **(e)** Other moneys or property transferred to the fund from any public or private source.

21 (4) The department may **solicit and** accept for deposit in the fund any grant, donation, gift or
22 bequest of moneys or property from any public or private source.

23 **(5) Any moneys transferred to the fund other than from the Oregon Marijuana Account**
24 **shall supplement but not supplant moneys transferred from the Oregon Marijuana Account.**

25 **SECTION 2.** ORS 475C.726, as amended by section 1, chapter 15, Oregon Laws 2022, is amended
26 to read:

27 475C.726. (1) As used in this section, "U.S. City Average Consumer Price Index" means the U.S.
28 City Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau
29 of Labor Statistics of the United States Department of Labor.

30 (2) There is established **in the State Treasury** the Oregon Marijuana Account, separate 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.

1 distinct from the General Fund. The account consists of moneys transferred to the account under
 2 ORS 475C.734.

3 (3)(a) The Department of Revenue shall certify quarterly the amount of moneys available in the
 4 Oregon Marijuana Account.

5 (b)[(A)] Before making other transfers of moneys required by this section, the department shall
 6 transfer quarterly *[to the Drug Treatment and Recovery Services Fund]* all moneys in the Oregon
 7 Marijuana Account in excess of \$11,250,000[.] **as follows:**

8 **(A) To the Economic Equity Investment Fund established under section 4, chapter 103,**
 9 **Oregon Laws 2022, the greater of:**

10 (i) **Fifty percent of the excess amount; or**

11 (ii) **\$6,250,000; and**

12 **(B) To the Drug Treatment and Recovery Services Fund established under ORS 430.384,**
 13 **the remainder of the excess amount.**

14 [(B)] (c) The department shall annually adjust the **\$11,250,000** limitation in [*subparagraph (A)*
 15 *of this paragraph.*] **paragraph (b) of this subsection and the \$6,250,000 minimum in paragraph**
 16 **(b)(A) of this subsection** [*The department shall multiply \$11,250,000*] by the percentage, if any, by
 17 which the monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive months
 18 ending August 31 of the prior calendar year exceeds the monthly index for the fourth quarter of the
 19 calendar year 2020[, and shall add that product to \$11,250,000]. Any increase in the limitation **or**
 20 **minimum** shall apply beginning with transfers made in July of each year, based upon receipts in
 21 the second calendar quarter of each year.

22 [(c)] (d) Subject to subsection (4) of this section, and after making the transfer of moneys re-
 23 quired by paragraph (b) of this subsection, the department shall transfer quarterly 20 percent of the
 24 moneys in the Oregon Marijuana Account as follows:

25 (A) Ten percent of the moneys in the account must be transferred to the cities of this state in
 26 the following shares:

27 (i) Seventy-five percent of the 10 percent must be transferred in shares that reflect the popu-
 28 lation of each city of this state that is not exempt from this paragraph pursuant to subsection (4)(a)
 29 of this section compared to the population of all cities of this state that are not exempt from this
 30 paragraph pursuant to subsection (4)(a) of this section, as determined by Portland State University
 31 under ORS 190.510 to 190.610, on the date immediately preceding the date of the transfer; and

32 (ii) Twenty-five percent of the 10 percent must be transferred in shares that reflect the number
 33 of licenses held pursuant to ORS 475C.065, 475C.085, 475C.093 and 475C.097 on the last business day
 34 of the calendar quarter preceding the date of the transfer for premises located in each city compared
 35 to the number of licenses held pursuant to ORS 475C.065, 475C.085, 475C.093 and 475C.097 on the
 36 last business day of that calendar quarter for all premises in this state located in cities; and

37 (B) Ten percent of the moneys in the account must be transferred to counties in the following
 38 shares:

39 (i) Fifty percent of the 10 percent must be transferred in shares that reflect the total commer-
 40 cially available area of all grow canopies associated with marijuana producer licenses held pursuant
 41 to ORS 475C.065 on the last business day of the calendar quarter preceding the date of the transfer
 42 for all premises located in each county compared to the total commercially available area of all
 43 grow canopies associated with marijuana producer licenses held pursuant to ORS 475C.065 on the
 44 last business day of that calendar quarter for all premises located in this state; and

45 (ii) Fifty percent of the 10 percent must be transferred in shares that reflect the number of li-

1 censes held pursuant to ORS 475C.085, 475C.093 and 475C.097 on the last business day of the cal-
2 endar quarter preceding the date of the transfer for premises located in each county compared to
3 the number of licenses held pursuant to ORS 475C.085, 475C.093 and 475C.097 on the last business
4 day of that calendar quarter for all premises in this state.

5 [(d)] (e) After making the transfer of moneys required by paragraph (b) of this subsection, 80
6 percent of the remaining moneys in the Oregon Marijuana Account must be used as follows:

7 (A) Forty percent of the moneys in the account must be used solely for purposes for which
8 moneys in the State School Fund established under ORS 327.008 may be used;

9 (B) Twenty percent of the moneys in the account must be used solely for mental health treat-
10 ment or for alcohol and drug abuse prevention, early intervention and treatment;

11 (C) Fifteen percent of the moneys in the account must be used solely for purposes for which
12 moneys in the State Police Account established under ORS 181A.020 may be used; and

13 (D) Five percent of the moneys in the account must be used solely for purposes related to al-
14 cohol and drug abuse prevention, early intervention and treatment services.

15 (4)(a) A city that has an ordinance prohibiting the establishment of a premises for which issu-
16 ance of a license under ORS 475C.065, 475C.085, 475C.093 or 475C.097 is required is not eligible to
17 receive transfers of moneys under subsection [(3)(c)(A)] **(3)(d)(A)** of this section.

18 (b) A county that has an ordinance prohibiting the establishment of a premises for which issu-
19 ance of a license under ORS 475C.065 is required is not eligible to receive transfers of moneys under
20 subsection [(3)(c)(B)(i)] **(3)(d)(B)(i)** of this section.

21 (c) A county that has an ordinance prohibiting the establishment of a premises for which issu-
22 ance of a license under ORS 475C.085, 475C.093 or 475C.097 is required is not eligible to receive
23 transfers of moneys under subsection [(3)(c)(B)(ii)] **(3)(d)(B)(ii)** of this section.

24 (d)(A) Paragraphs (b) and (c) of this subsection do not apply to a county ordinance adopted on
25 or after January 1, 2018, that prohibits the establishment of a premises for which a license under
26 ORS 475C.065, 475C.085, 475C.093 or 475C.097 is required but allows in the unincorporated area of
27 the county the continued operation of an existing premises for which a license under ORS 475C.065,
28 475C.085, 475C.093 or 475C.097 is required.

29 (B) A county that adopts an ordinance described in subparagraph (A) of this paragraph shall
30 certify the adoption of the ordinance under subsection (6) of this section.

31 (5)(a) A city or county that is ineligible under subsection (4) of this section to receive a transfer
32 of moneys from the Oregon Marijuana Account during a given quarter but has received a transfer
33 of moneys for that quarter shall return the amount transferred to the Department of Revenue, with
34 interest as described under paragraph (f) of this subsection. An ineligible city or county may vol-
35 untarily transfer the moneys to the Department of Revenue immediately upon receipt of the ineligi-
36 ble transfer.

37 (b) If the Director of the Oregon Department of Administrative Services determines that a city
38 or county received a transfer of moneys under subsection [(3)(c)] **(3)(d)** of this section but was inel-
39 ible to receive that transfer under subsection (4) of this section, the director shall provide notice
40 to the ineligible city or county and order the city or county to return the amount received to the
41 Department of Revenue, with interest as described under paragraph (f) of this subsection. A city or
42 county may appeal the order within 30 days of the date of the order under the procedures for a
43 contested case under ORS chapter 183.

44 (c) As soon as the order under paragraph (b) of this subsection becomes final, the director shall
45 notify the Department of Revenue and the ineligible city or county. Upon notification, the Depart-

1 ment of Revenue immediately shall proceed to collect the amount stated in the notice.

2 (d) The Department of Revenue shall have the benefit of all laws of the state pertaining to the
 3 collection of income and excise taxes and may proceed to collect the amounts described in the no-
 4 tice under paragraph (c) of this subsection. An assessment of tax is not necessary and the collection
 5 described in this subsection is not precluded by any statute of limitations.

6 (e) If a city or county is subject to an order to return moneys from an ineligible transfer, the
 7 city or county shall be denied any further relief in connection with the ineligible transfer on or after
 8 the date that the order becomes final.

9 (f) Interest under this section shall accrue at the rate established in ORS 305.220 beginning on
 10 the date the ineligible transfer was made.

11 (g) Both the moneys and the interest collected from or returned by an ineligible city or county
 12 shall be redistributed to the cities or counties that were eligible to receive a transfer under sub-
 13 subsection [(3)(c)] **(3)(d)** of this section on the date the ineligible transfer was made.

14 (6)(a) Not later than July 1 of each year, each city and county in this state shall certify with
 15 the Oregon Department of Administrative Services whether the city or county has an ordinance
 16 prohibiting the establishment of a premises for which issuance of a license under ORS 475C.065,
 17 475C.085, 475C.093 or 475C.097 is required and whether the county has an ordinance described in
 18 subsection (4)(d) of this section. The certification shall be made concurrently with the certifications
 19 under ORS 221.770, in a form and manner prescribed by the Oregon Department of Administrative
 20 Services.

21 (b) If a city fails to comply with this subsection, the city is not eligible to receive transfers of
 22 moneys under subsection [(3)(c)(A)] **(3)(d)(A)** of this section. If a county fails to comply with this
 23 subsection, the county is not eligible to receive transfers of moneys under subsection [(3)(c)(B)]
 24 **(3)(d)(B)** of this section.

25 (c) A city or county that repeals an ordinance as provided in ORS 475C.457 shall file an updated
 26 certification with the Oregon Department of Administrative Services in a form and manner pre-
 27 scribed by the department, noting the effective date of the change. A city or county that repeals an
 28 ordinance as provided in ORS 475C.457 is eligible to receive quarterly transfers of moneys under
 29 this section for quarters where the repeal is effective for the entire quarter and the updated certi-
 30 fication was filed at least 30 days before the date of transfer.

31 **SECTION 3. The amendments to ORS 475C.726 by section 2 of this 2023 Act apply to**
 32 **moneys transferred to the Oregon Marijuana Account on or after July 1, 2023.**

33 **SECTION 4.** ORS 475C.726, as amended by section 1, chapter 15, Oregon Laws 2022, and section
 34 2 of this 2023 Act, is amended to read:

35 475C.726. (1) As used in this section, "U.S. City Average Consumer Price Index" means the U.S.
 36 City Average Consumer Price Index for All Urban Consumers (All Items) as published by the Bureau
 37 of Labor Statistics of the United States Department of Labor.

38 (2) There is established in the State Treasury the Oregon Marijuana Account, separate and
 39 distinct from the General Fund. The account consists of moneys transferred to the account under
 40 ORS 475C.734.

41 (3)(a) The Department of Revenue shall certify quarterly the amount of moneys available in the
 42 Oregon Marijuana Account.

43 (b) **Except as provided in ORS 475C.871**, before making other transfers of moneys required by
 44 this section, the department shall transfer quarterly all moneys in the Oregon Marijuana Account
 45 in excess of \$11,250,000 as follows:

1 (A) To the Economic Equity Investment Fund established under section 4, chapter 103, Oregon
 2 Laws 2022, the greater of:

- 3 (i) Fifty percent of the excess amount; or
- 4 (ii) \$6,250,000; and

5 (B) To the Drug Treatment and Recovery Services Fund established under ORS 430.384, the re-
 6 mainder of the excess amount.

7 (c) The department shall annually adjust the \$11,250,000 limitation in paragraph (b) of this sub-
 8 section and the \$6,250,000 minimum in paragraph (b)(A) of this subsection by the percentage, if any,
 9 by which the monthly averaged U.S. City Average Consumer Price Index for the 12 consecutive
 10 months ending August 31 of the prior calendar year exceeds the monthly index for the fourth quar-
 11 ter of the calendar year 2020. Any increase in the limitation or minimum shall apply beginning with
 12 transfers made in July of each year, based upon receipts in the second calendar quarter of each
 13 year.

14 (d) Subject to subsection (4) of this section, and after making the transfer of moneys required
 15 by paragraph (b) of this subsection, the department shall transfer quarterly 20 percent of the moneys
 16 in the Oregon Marijuana Account as follows:

17 (A) Ten percent of the moneys in the account must be transferred to the cities of this state in
 18 the following shares:

19 (i) Seventy-five percent of the 10 percent must be transferred in shares that reflect the popu-
 20 lation of each city of this state that is not exempt from this paragraph pursuant to subsection (4)(a)
 21 of this section compared to the population of all cities of this state that are not exempt from this
 22 paragraph pursuant to subsection (4)(a) of this section, as determined by Portland State University
 23 under ORS 190.510 to 190.610, on the date immediately preceding the date of the transfer; and

24 (ii) Twenty-five percent of the 10 percent must be transferred in shares that reflect the number
 25 of licenses held pursuant to ORS 475C.065, 475C.085, 475C.093 and 475C.097 on the last business day
 26 of the calendar quarter preceding the date of the transfer for premises located in each city compared
 27 to the number of licenses held pursuant to ORS 475C.065, 475C.085, 475C.093 and 475C.097 on the
 28 last business day of that calendar quarter for all premises in this state located in cities; and

29 (B) Ten percent of the moneys in the account must be transferred to counties in the following
 30 shares:

31 (i) Fifty percent of the 10 percent must be transferred in shares that reflect the total commer-
 32 cially available area of all grow canopies associated with marijuana producer licenses held pursuant
 33 to ORS 475C.065 on the last business day of the calendar quarter preceding the date of the transfer
 34 for all premises located in each county compared to the total commercially available area of all
 35 grow canopies associated with marijuana producer licenses held pursuant to ORS 475C.065 on the
 36 last business day of that calendar quarter for all premises located in this state; and

37 (ii) Fifty percent of the 10 percent must be transferred in shares that reflect the number of li-
 38 censes held pursuant to ORS 475C.085, 475C.093 and 475C.097 on the last business day of the cal-
 39 endar quarter preceding the date of the transfer for premises located in each county compared to
 40 the number of licenses held pursuant to ORS 475C.085, 475C.093 and 475C.097 on the last business
 41 day of that calendar quarter for all premises in this state.

42 (e) After making the transfer of moneys required by paragraph (b) of this subsection, 80 percent
 43 of the remaining moneys in the Oregon Marijuana Account must be used as follows:

44 (A) Forty percent of the moneys in the account must be used solely for purposes for which
 45 moneys in the State School Fund established under ORS 327.008 may be used;

1 (B) Twenty percent of the moneys in the account must be used solely for mental health treat-
2 ment or for alcohol and drug abuse prevention, early intervention and treatment;

3 (C) Fifteen percent of the moneys in the account must be used solely for purposes for which
4 moneys in the State Police Account established under ORS 181A.020 may be used; and

5 (D) Five percent of the moneys in the account must be used solely for purposes related to al-
6 cohool and drug abuse prevention, early intervention and treatment services.

7 (4)(a) A city that has an ordinance prohibiting the establishment of a premises for which issu-
8 ance of a license under ORS 475C.065, 475C.085, 475C.093 or 475C.097 is required is not eligible to
9 receive transfers of moneys under subsection (3)(d)(A) of this section.

10 (b) A county that has an ordinance prohibiting the establishment of a premises for which issu-
11 ance of a license under ORS 475C.065 is required is not eligible to receive transfers of moneys under
12 subsection (3)(d)(B)(i) of this section.

13 (c) A county that has an ordinance prohibiting the establishment of a premises for which issu-
14 ance of a license under ORS 475C.085, 475C.093 or 475C.097 is required is not eligible to receive
15 transfers of moneys under subsection (3)(d)(B)(ii) of this section.

16 (d)(A) Paragraphs (b) and (c) of this subsection do not apply to a county ordinance adopted on
17 or after January 1, 2018, that prohibits the establishment of a premises for which a license under
18 ORS 475C.065, 475C.085, 475C.093 or 475C.097 is required but allows in the unincorporated area of
19 the county the continued operation of an existing premises for which a license under ORS 475C.065,
20 475C.085, 475C.093 or 475C.097 is required.

21 (B) A county that adopts an ordinance described in subparagraph (A) of this paragraph shall
22 certify the adoption of the ordinance under subsection (6) of this section.

23 (5)(a) A city or county that is ineligible under subsection (4) of this section to receive a transfer
24 of moneys from the Oregon Marijuana Account during a given quarter but has received a transfer
25 of moneys for that quarter shall return the amount transferred to the Department of Revenue, with
26 interest as described under paragraph (f) of this subsection. An ineligible city or county may vol-
27 untarily transfer the moneys to the Department of Revenue immediately upon receipt of the ineligi-
28 ble transfer.

29 (b) If the Director of the Oregon Department of Administrative Services determines that a city
30 or county received a transfer of moneys under subsection (3)(d) of this section but was ineligible to
31 receive that transfer under subsection (4) of this section, the director shall provide notice to the
32 ineligible city or county and order the city or county to return the amount received to the Depart-
33 ment of Revenue, with interest as described under paragraph (f) of this subsection. A city or county
34 may appeal the order within 30 days of the date of the order under the procedures for a contested
35 case under ORS chapter 183.

36 (c) As soon as the order under paragraph (b) of this subsection becomes final, the director shall
37 notify the Department of Revenue and the ineligible city or county. Upon notification, the Depart-
38 ment of Revenue immediately shall proceed to collect the amount stated in the notice.

39 (d) The Department of Revenue shall have the benefit of all laws of the state pertaining to the
40 collection of income and excise taxes and may proceed to collect the amounts described in the no-
41 tice under paragraph (c) of this subsection. An assessment of tax is not necessary and the collection
42 described in this subsection is not precluded by any statute of limitations.

43 (e) If a city or county is subject to an order to return moneys from an ineligible transfer, the
44 city or county shall be denied any further relief in connection with the ineligible transfer on or after
45 the date that the order becomes final.

1 (f) Interest under this section shall accrue at the rate established in ORS 305.220 beginning on
2 the date the ineligible transfer was made.

3 (g) Both the moneys and the interest collected from or returned by an ineligible city or county
4 shall be redistributed to the cities or counties that were eligible to receive a transfer under sub-
5 section (3)(d) of this section on the date the ineligible transfer was made.

6 (6)(a) Not later than July 1 of each year, each city and county in this state shall certify with
7 the Oregon Department of Administrative Services whether the city or county has an ordinance
8 prohibiting the establishment of a premises for which issuance of a license under ORS 475C.065,
9 475C.085, 475C.093 or 475C.097 is required and whether the county has an ordinance described in
10 subsection (4)(d) of this section. The certification shall be made concurrently with the certifications
11 under ORS 221.770, in a form and manner prescribed by the Oregon Department of Administrative
12 Services.

13 (b) If a city fails to comply with this subsection, the city is not eligible to receive transfers of
14 moneys under subsection (3)(d)(A) of this section. If a county fails to comply with this subsection,
15 the county is not eligible to receive transfers of moneys under subsection (3)(d)(B) of this section.

16 (c) A city or county that repeals an ordinance as provided in ORS 475C.457 shall file an updated
17 certification with the Oregon Department of Administrative Services in a form and manner pre-
18 scribed by the department, noting the effective date of the change. A city or county that repeals an
19 ordinance as provided in ORS 475C.457 is eligible to receive quarterly transfers of moneys under
20 this section for quarters where the repeal is effective for the entire quarter and the updated certi-
21 fication was filed at least 30 days before the date of transfer.

22 **SECTION 5. The amendments to ORS 475C.726 by section 4 of this 2023 Act become op-**
23 **erative on January 2, 2024.**

24 **SECTION 6.** ORS 430.384 is amended to read:

25 430.384. (1) The Drug Treatment and Recovery Services Fund is established in the State Treas-
26 ury, separate and distinct from the General Fund. Interest earned by the Drug Treatment and Re-
27 covery Services Fund shall be credited to the fund.

28 (2) The Drug Treatment and Recovery Services Fund shall consist of:

- 29 (a) Moneys deposited into the fund pursuant to ORS 305.231;
- 30 (b) Moneys appropriated or otherwise transferred to the fund by the Legislative Assembly;
- 31 (c) Moneys allocated from the Oregon Marijuana Account, pursuant to ORS 475C.726 (3)(b)(B);
- 32 (d) Moneys allocated from the Criminal Fine Account pursuant to ORS 137.300 (4); and
- 33 (e) All other moneys deposited into the fund from any source.

34 (3) Moneys in the fund shall be continuously appropriated to the Oregon Health Authority for
35 the purposes set forth in ORS 430.389.

36 (4)(a) Pursuant to subsection (2)(b) of this section, the Legislative Assembly shall appropriate
37 or transfer to the fund an amount sufficient to fully fund the grants program required by ORS
38 430.389.

39 (b) The total amount deposited and transferred into the fund shall not be less than \$57 million
40 for the first year chapter 2, Oregon Laws 2021, is in effect.

41 (c) In each subsequent year, the minimum transfer amount set forth in paragraph (b) of this
42 subsection shall be increased by not less than the sum of:

- 43 (A) \$57 million multiplied by the percentage, if any, by which the monthly averaged U.S. City
44 Average Consumer Price Index for the 12 consecutive months ending August 31 of the prior calendar
45 year exceeds the monthly index for the fourth quarter of the calendar year 2020; and

1 (B) The annual increase, if any, in moneys distributed pursuant to ORS 475C.726 (3)(b)(B).

2 **SECTION 7.** Section 2, chapter 103, Oregon Laws 2022, is amended to read:

3 **Sec. 2.** (1) The Oregon Business Development Department shall develop and implement an Eco-
4 nomic Equity Investment Program under which the department shall award grants to organizations
5 that provide culturally responsive services to support economic stability, self-sufficiency, wealth
6 building and economic equity among disadvantaged individuals, families, businesses and communities
7 in this state.

8 (2)(a) The department shall prescribe the form and manner in which an organization may apply
9 for a grant under the program.

10 (b) An organization's application must demonstrate a proven ability to provide services as de-
11 scribed in subsection (3) of this section.

12 (3) Grant moneys shall be awarded to organizations only for proposals to provide outreach,
13 support and resources to individuals, families, businesses or communities whose future is at risk
14 because of any combination of two or more economic equity risk factors in order to improve eco-
15 nomic equity as measured by:

16 (a) Ownership of land, principal residences and other real property;

17 (b) Entrepreneurship;

18 (c) Business development;

19 (d) Workforce development; and

20 (e) Intergenerational wealth building, such as savings, investments and real property equity.

21 **(4) Organizations awarded grant moneys under this section may allocate the moneys to**
22 **any entity that is lawfully organized and operating under state law.**

23 [(4)] (5) Upon request, the department shall provide technical assistance to organizations that
24 receive grant moneys under the program and may consult with an organization about the
25 organization's needs to maintain capacity to carry out the proposal for which the grant moneys were
26 awarded.

27 **(6)(a) The department may adopt rules for purposes of this section.**

28 **(b) During any rulemaking process, the department shall consult with persons and com-**
29 **munities most likely to be affected by this section.**

30 **SECTION 8.** This 2023 Act takes effect on the 91st day after the date on which the 2023
31 regular session of the Eighty-second Legislative Assembly adjourns sine die.

32