**Financial Estimate Statement**

- Estimate of direct government expenditures, revenues, or indebtedness AND significant indirect economic or fiscal effect. Not word limited.
- Included in voter's pamphlet and on ballot.

### IP 28 Draft Financial Statement Revised 7-14:

Initiative Petition 28 changes Oregon's criminal laws on animal cruelty, abuse, sexual assault, and neglect. These laws would apply to all mammals, birds, fish, reptiles, and amphibians in the state. The measure also creates the Humane Transition Fund and the Transitional Oversight Council. The Council may give grants to help agencies, organizations, and individuals transition away from activities that would become illegal under the measure.

The measure is expected to decrease revenue and increase costs without identifying a revenue source. The overall financial impacts are estimates for scale of impact, however the overall amount is indeterminate due to the following uncertainties:

- The legal interpretation of impacted activities and industries, for example whether shellfish are included in fish as definition of animal;
- If current agency statutory roles and programs would continue with the loss of revenues supporting those programs;
- To the extent to which secondary businesses, such as retailers, are impacted;
- Level of enforcement and impact on police, courts and jails;
- Definition of subsidies to be credited to the Humane Transition Fund; and
- Unknown costs for grants to individuals and organizations to assist in transition away from engaging in activities that become prohibited by this measure.

**State Impact**

- State agencies estimate about $20 million in ongoing annual costs to backfill lost revenues supporting state troopers and supporting the new council, as well as an increase of $49 million in unemployment payments due to increased job losses.
- As programs and industries such as hunting, fishing, and animal production end, several state agencies would lose revenue supporting current programs. It is unclear if those programs would continue or at what costs. The Oregon Department of Fish and Wildlife, the Department of Agriculture, and the Employment Department would receive about $165 million less per year.
- The impact on economic activity in food industries including beef, poultry, and pork, as well as commercial seafood production and recreational fishing and hunting, would reduce tax revenues. The impact on state income and other tax revenues is estimated to decrease by $20 to $110 million annually.

| Total Financial Estimate on State Government | |
|---|---|
| Increased Expenditures | $20 million annually<br><br>$49 million in 2027 in Unemployment Insurance benefits |
| Loss of Fee Revenue | $165 million annually |
| Loss of State Tax Revenue | $53 - $152 million annually using a five-year average |

**County, City, and Tribal Impact**

- Local government tax revenues, excluding property taxes, are estimated to decrease by $17 million to $41 million annually, using a five-year average.
- County revenues are projected decrease by at least $60 million each year due to lower agricultural property taxes, fewer park fees, and reduced development revenue.
- County costs could rise by at least $340 million because of higher expenses for animal control, district attorneys, forest management, enforcement, and county fairgrounds (rodeos).
- The financial impact on cities is uncertain. Cities anticipate reductions in transient lodging tax revenue due to loss of hunting, fishing, and rodeo-related tourism.
- The impact on tribal governments is indeterminate.