Oregon
Tina Kotek, Governor

Department of Administrative Services
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Memorandum

DATE: July 14, 2026

TO: Financial Estimate Committee

FROM: Kate Nass, Chief Financial Officer

SUBJECT: IP 28 – Updated Financial Estimate

After discussion in the Financial Estimate Committee Meeting, below is an updated draft fiscal impact statement.

- Adds the measure includes expenditures without identifying a revenue source.
- Notes the impact is indeterminant and lists key uncertainties.
- Removes the reduction in expenditures due to discussion that the Legislature would make that determination for Oregon Department of Agriculture and Oregon Department of Fish and Wildlife programs.
- Made the table an annual amount for impacts – but can switch to 2025-27 and 2027-29 easily.
- Adjusts revenue impacts for Oregon Department of Fish and Wildlife to include a loss of federal revenue supporting fish hatcheries.
- Adds the estimated tax impact after further discussions with Legislative Revenue Office.

For information about the fiscal year split of the impacts, please see the table on the next page of this memo.

IP 28 Projected Fiscal Impacts by Fiscal Year

	FY2027	FY2028	FY2029	FY2030
Increased Costs:				
Oregon State Police - Increased General Fund costs due to lost revenue from Oregon Department of Fish and Wildlife supporting state troopers	9.5	19.0	19.0	20.6
Employment Department - Increased unemployment insurance payments	49.3	0.0	0.0	0.0
Oregon Department of Human Services - administrative support for the Transitional Oversight Council	0	0.2	0.2	0.2
Estimated Increased Costs	58.8	19.2	19.2	20.8
Reduced Revenues:				
Department of Fish & Wildlife - reduction in license and fee revenues supporting agency programs and State Police	51.4	106.7	107.7	115.1
Department of Fish & Wildlife - reduction in federal funding supporting fish hatcheries.	17.0	35.6	35.6	38.1
Department of Agriculture - reduction in fee revenues	2.0	6.9	6.9	6.9
Employment Department - reduction in Paid Family Leave and unemployment insurance revenues due to lower employment	4.2	14.4	16.4	17.4
Estimated Reduction in Revenue	74.6	163.6	166.7	177.5
Reduced Program Costs:				
Department of Agriculture - expected elimination of programs regulating activities that would become unlawful	6.7	13.4	13.4	13.4
Employment Department - reduction in Paid Family Leave benefits due to lower number of employees eligible for benefits	2.0	4.1	4.2	4.2
Estimated Reduced Program Costs	8.7	17.5	17.6	17.6
Secondary Revenue Impacts				
Department of Fish & Wildlife - reduction in Lottery Funds and Federal Funds (excluding federal fish hatchery funding above) supporting agency programs due to loss of license and fee revenues	21.1	47.8	47.8	51.1
Oregon Parks and Recreation Department - loss of park revenues due to decreased park usage	5.5	14.7	14.7	
State Marine Board - loss of revenue due to reduction in boat registrations	6.8	11.7	11.7	
Estimated Secondary Revenue Impacts	33.4	74.2	74.2	51.1

Updated Draft Financial Estimate Statement – 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 $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.