

PRELIMINARY DISCUSSION DRAFT

November 3, 2020 General Election

Initiative Referendum #34

“Allows manufacture, delivery, administration of psilocybin at supervised, licensed facilities; imposes two-year development period.”

Draft Estimate of Financial Impact:

This measure legalizes, regulates and taxes the manufacture, sale, and administration of psilocybin for mental health purposes. State revenue and expenditures will be impacted by passage of this measure. Local government expenditures will be impacted. A fifteen percent point of sales tax based on the retail sales of psilocybin is established as a source of funding for administrating the program by the Oregon Health Authority, tax collection and enforcement by the Oregon Department of Revenue, and administration by the Oregon Liquor Control Commission of a psilocybin tracking system.

The measure requires the Oregon Health Authority (OHA) to develop, over a two year period, beginning January 1, 2021, a regulation, licensure, and enforcement program, including fees and fines. The revenue estimate from fees and taxes when fully implemented is indeterminate.

The financial impact during the two-year development period, which runs through December of 2022, is estimated to be \$7.0 million General Fund to begin activities required under the Act. Once the program is established, ongoing costs are estimated at \$3.9 million annually, which will be covered by the fees and tax funds for the administration and enforcement of the Act.

The financial effect on local government for conducting required land use compatibility assessments for licensee applicants and adoption of any pertinent ordinances is indeterminate.

Certification:

We, the undersigned, hereby certify that, pursuant to ORS 250.127(3), we have prepared the statement described under “Estimate of Financial Impact.”

Bev Clarno, Secretary of State

Date

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Tobias Read, State Treasurer

Date

Katy Coba, Director,
Department of Administrative Services

Date

Satish Upadhyay, Director, Department of Revenue

Date

Tim Collier, City, County, or District representative

Date