

November 3, 2020 General Election

Initiative Petition #44

“Decriminalizes personal, non-commercial possession of most drugs; establishes fund to create addiction recovery centers”

Estimate of Financial Impact:

The initiative directs the Oregon Health Authority (OHA) to establish Addiction Recovery Centers and increase funding for other substance use disorder services, changes the distribution of marijuana tax revenues and reduces drug penalties for possession of some drugs.

Marijuana Revenue Redistribution

The initiative creates the Drug Treatment and Recovery Services Fund (DTRSF). It redistributes marijuana revenue above \$11.25 million per quarter from existing recipients to the DTRSF, reducing revenue to the State School Fund, the State Police, mental health programs, and local governments. The revenue redistributions for state agency programs are summarized below:

<i>All dollars in millions</i>	2019-21	2021-23
Drug Treatment and Recovery Services Fund (ARCs)	\$ 61.1	\$ 182.4
State School Fund	\$ (17.1)	\$ (73.0)
Mental Health, Alcoholism and Drug Services	\$ (8.6)	\$ (36.5)
Alcohol and Drug Abuse Prevention and Intervention	\$ (2.1)	\$ (9.1)
Oregon State Police	\$ (6.5)	\$ (27.4)
Net Increase In State Revenue	\$ 26.8	\$ 36.4

OHA is directed to administer grants to fund the Addiction Recovery Centers (ARCs), which will offer 24 hour access to care every day of the year starting October 1, 2021. The grants will be awarded to ARCs for operational expenses as well as to organizations providing substance use disorder treatment, peer support and recovery services, permanent supportive housing, and harm reduction interventions to be provided free of charge to the recipient of the services.

The initiative requires the Legislature to provide \$57 million in annual funding (with increases for inflation) for the DTRSF. Marijuana revenue estimated at \$61.1 million in 2019-21 and \$182.4 million in 2021-23 should be sufficient to meet this requirement.

The initiative reduces the marijuana revenue distribution to cities and counties. The total reduction is \$8.6 million in 2019-21 and \$36.4 million in 2021-23.

Decriminalization of Certain Drug Offenses

The initiative decriminalizes certain drug offenses and transfers the savings due to lower spending on arrests, probation supervisions and incarcerations to the DTRSF to fund additional ARC expenditures. These savings are estimated at \$0.3 million in 2019-21 and \$24.5 million in

2021-23. This will reduce revenue transferred from the Department of Corrections for local government community corrections by \$0.3 million in 2019-21 and \$24.5 million in 2021-23.

Certification:

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

<p>DocuSigned by: <i>Bev Clarno</i> C6A8C1F22BDA4E6...</p> <hr/>	<p>7/13/2020</p> <hr/>
<p>Bev Clarno, Secretary of State</p>	<p>Date</p>
<p>DocuSigned by: <i>Tobias Read</i> 37A6C301A1C84E5...</p> <hr/>	<p>7/8/2020</p> <hr/>
<p>Tobias Read, State Treasurer</p>	<p>Date</p>
<p>DocuSigned by: <i>Katy Coba</i> 8C98CB434ED2484...</p> <hr/>	<p>7/8/2020</p> <hr/>
<p>Katy Coba, Director, Department of Administrative Services</p>	<p>Date</p>
<p>DocuSigned by: <i>Satish Upadhyay</i> 6D5A249FFEF641A...</p> <hr/>	<p>7/8/2020</p> <hr/>
<p>Satish Upadhyay, Interim Director, Department of Revenue</p>	<p>Date</p>
<p>DocuSigned by: <i>Timothy Collier</i> DE81D5DCF47F408...</p> <hr/>	<p>7/9/2020</p> <hr/>
<p>Tim Collier, City, County, or District representative</p>	<p>Date</p>