

Ballot Measure Statement
2020 General Election

September 03, 2020

Proposed by Initiative Petition

Measure 109

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

Result of “Yes” Vote: Allows manufacture, delivery, administration of psilocybin (psychoactive mushroom) at supervised, licensed facilities; imposes two-year development period. Creates enforcement/taxation system, advisory board, administration fund.

Yes

Result of “No” Vote: “No” vote retains current law, which prohibits manufacture, delivery, and possession of psilocybin and imposes misdemeanor or felony criminal penalties.

No

Summary: Currently, federal and state laws prohibit the manufacture, delivery, and possession of psilocybin (psychoactive mushroom). Initiative amends state law to require Oregon Health Authority (OHA) to establish Oregon Psilocybin Services Program to allow licensed/regulated production, processing, delivery, possession of psilocybin exclusively for administration of “psilocybin services” (defined) by licensed “facilitator” (defined) to “qualified client” (defined). Grants OHA authority to implement, administer, and enforce program. Imposes two-year development period before implementation of program. Establishes fund for program administration and governor-appointed advisory board that must initially include one measure sponsor; members are compensated. Imposes packaging, labeling, and dosage requirements. Requires sales tax for retail psilocybin. Preempts local laws inconsistent with program except “reasonable regulations” (defined). Exempts licensed/regulated activities from criminal penalties. Other provisions.

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 administering 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 \$5.4 million General Fund to begin activities required under the Act. Once the program is established, ongoing costs are estimated at \$3.1 million annually, which will be covered by the fees and tax funds for the administration and enforcement of the Act. The development cost estimate is based on the cost of developing the medical marijuana program following the passage of Measure 67 in 1998.

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