

# FULL TEXT OF BALLOT TITLES—NOVEMBER 3, 2020

## KLAMATH COUNTY • STATE OF OREGON

ONLY THE CAPTION AND RESULT OF “YES” AND “NO” VOTE WILL APPEAR ON YOUR OFFICIAL BALLOT.

<b>STATE MEASURES</b>	<b>Referred to the People by the Legislative Assembly</b>	<b>Proposed by Initiative Petition</b>
<p style="text-align: center; margin: 0;"><b>Referred to the People by the Legislative Assembly</b></p> <p><b>107 Amends Constitution: Allows laws limiting political campaign contributions and expenditures, requiring disclosure of political campaign contributions and expenditures, and requiring political campaign advertisements to identify who paid for them</b></p> <p><b>Result of “Yes” Vote:</b> “Yes” vote allows laws, created by the Legislative Assembly, local governments or voters that limit contributions and expenditures made to influence an election. Allows laws that require disclosure of contributions and expenditures made to influence an election. Allows laws that require campaign or election advertisements to identify who paid for them. Campaign contribution limits cannot prevent effective advocacy. Applies to laws enacted or approved on or after January 1, 2016.</p> <p><b>Result of “No” Vote:</b> “No” vote retains current law. Courts currently find the Oregon Constitution does not allow laws limiting campaign expenditures. Laws limiting contributions are allowed if the text of the law does not target expression.</p> <p><b>Summary:</b> The Oregon Supreme Court has interpreted the Oregon Constitution to prohibit limits on expenditures made in connection with a political campaign or to influence the outcome of an election. Limits on contributions are allowed if the text of the law does not target expression. The proposed measure amends the Oregon Constitution to allow the Oregon Legislative Assembly, local governments, and the voters by initiative to pass laws that limit contributions and expenditures made in connection with a political campaign and contributions and expenditures made to influence an election. The measure would allow laws that require disclosure of political campaign and election contributions and expenditures. The measure would allow laws that require political campaign and election advertisements to identify who paid for them. Laws limiting campaign contributions cannot prevent effective advocacy. Measure applies to all laws enacted or approved on or after January 1, 2016.</p> <p><b>Estimate of Financial Impact:</b> This measure will have no financial effect on the expenditures or revenues of the state, counties, cities, or special districts in Oregon.</p>	<p style="text-align: center; margin: 0;"><b>Referred to the People by the Legislative Assembly</b></p> <p><b>108 Increases cigarette and cigar taxes. Establishes tax on e-cigarettes and nicotine vaping devices. Funds health programs.</b></p> <p><b>Result of “Yes” Vote:</b> “Yes” vote increases cigarette tax by \$2 per pack. Increases cap on cigar taxes to \$1 per cigar. Establishes tax on nicotine inhalant delivery systems, such as e-cigarettes and vaping products. Funds health programs. Approves other provisions.</p> <p><b>Result of “No” Vote:</b> “No” vote retains current law. Cigarettes are taxed at current rate of \$1.33 per pack. Tax on cigars is capped at 50 cents per cigar. Nicotine inhalant delivery systems, such as e-cigarettes and vaping products, remain untaxed.</p> <p><b>Summary:</b> Under current law, a tax of \$1.33 is imposed on each pack of 20 cigarettes, cigars are taxed at 65 percent of the wholesale price, up to a maximum of 50 cents per cigar, and nicotine inhalant delivery systems, such as e-cigarettes and vaping products, are not taxed. Measure increases the cigarette tax by \$2 per pack and increases the maximum tax on cigars to \$1 per cigar. Measure provides for smaller cigars (sold commonly as “cigarillos”) to be taxed like cigarettes. Measure establishes tax on nicotine inhalant delivery systems, such as e-cigarettes and vaping products, at 65 percent of the wholesale price. Tax on nicotine inhalant delivery systems does not apply to approved tobacco cessation products or to marijuana inhalant delivery systems. Revenue from increased and new taxes will be used to fund health care coverage for low-income families, including mental health services, and to fund public health programs, including prevention and cessation programs, addressing tobacco- and nicotine-related diseases.</p> <p><b>Estimate of Financial Impact:</b> This referral increases taxes on cigarettes and cigars and establishes a tax on e-cigarettes and vaping devices and dedicates the revenues to health programs at the Oregon Health Authority. The measure will increase net state revenues by \$111.1 million in 2019-21 and \$331.4 million in 2021-23. The measure dedicates 90 percent of the revenue from the increased cigarette tax and the e-cigarette and vaping device tax to support the Oregon Health Plan and other medical assistance programs and 10 percent to tobacco use prevention and cessation programs. Funds spent on the Oregon Health Plan are eligible for federal matching funds. The direct expenditure impact of the measure is the cost of administering the tax increases, estimated at \$1.0 million in 2019-21 and \$1.3 million in 2021-23.</p> <p>Local governments, the state’s General Fund, and mental health programs at the Oregon Health Authority could see a decline in revenue if the measure passes. The current cigarette tax and the proposed tax are dedicated to different purposes.</p> <p>Beyond the cost of administration, the impact of the revenue increases and decreases on state and local government expenditures is indeterminate and will depend on decisions made by the governing bodies of those governments.</p>	<p style="text-align: center; margin: 0;"><b>Proposed by Initiative Petition</b></p> <p><b>109 Allows manufacture, delivery, administration of psilocybin at supervised, licensed facilities; imposes two-year development period</b></p> <p><b>Result of “Yes” Vote:</b> 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.</p> <p><b>Result of “No” Vote:</b> “No” vote retains current law, which prohibits manufacture, delivery, and possession of psilocybin and imposes misdemeanor or felony criminal penalties.</p> <p><b>Summary:</b> 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.</p> <p><b>Estimate of Financial Impact:</b> 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.</p> <p>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.</p> <p>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.</p> <p>The financial effect on local government for conducting required land use compatibility assessments for licensee applicants and adoption of any pertinent ordinances is indeterminate.</p>

**Proposed by Initiative Petition**

**110 Provides statewide addiction/recovery services; marijuana taxes partially finance; reclassifies possession/penalties for specified drugs**

**Result of “Yes” Vote:** “Yes” vote provides addiction recovery centers/services; marijuana taxes partially finance (reduces revenues for other purposes); reclassifies possession of specified drugs; reduces penalties; requires audits.

**Result of “No” Vote:** “No” vote rejects requiring addiction recovery centers/services; retains current marijuana tax revenue uses; maintains current classifications/ penalties for possession of drugs.

**Summary:** Measure mandates establishment/ funding of “addiction recovery centers” (centers) within each existing coordinated care organization service area by October 1, 2021; centers provide drug users with triage, health assessments, treatment, recovery services. To fund centers, measure dedicates all marijuana tax revenue above \$11,250,000 quarterly, legislative appropriations, and any savings from reductions in arrests, incarceration, supervision resulting from the measure. Reduces marijuana tax revenue for other uses. Measure reclassifies personal non-commercial possession of certain drugs under specified amount from misdemeanor or felony (depending on person’s criminal history) to Class E violation subject to either \$100 fine or a completed health assessment by center. Oregon Health Authority establishes council to distribute funds/ oversee implementation of centers. Secretary of State audits biennially. Other provisions.

**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 offset by decreasing funding to other programs, 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>	<b>2019-21</b>	<b>2021-23</b>
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. The savings are expected to increase beyond the 2021-23 biennium.