



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

Initiative 50

Fiscal Summary

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LCS TITLE: ACCESS TO NATURAL MEDICINE.

Fiscal Summary of Initiative 50

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at www.ColoradoBlueBook.com. This fiscal summary identifies the following impact.

State revenue. Under Initiative 50, state revenue will increase by approximately \$4.0 million per year starting in FY 2024-25. This revenue is from licensing fees charged to regulated entities including healing centers and facilitators that dispense, and provide services relating to, psilocybin and other substances classified as natural medicines under the measure. The exact increase in revenue will depend on the fee amount and the number of license applications submitted. It is expected that revenue will set at a level to cover the costs of the program when fully implemented.

State expenditures. In the first two years (FY 2022-23 and FY 2023-24), the Department of Regulatory Agencies (DORA) will have costs of approximately \$1.3 million to \$2.8 million per year to establish program rules and issue initial licenses prior to the start of the new regulatory program created by the measure. Starting in FY 2024-25, DORA will have costs of approximately \$4.0 million per year when regulation of the cultivation, manufacture, sale, use, and provision of services relating to psilocybin and other substances classified as natural medicines under the measure is fully implemented. Actual expenditures will depend on the number of regulated entities participating in this industry. To the extent that Initiative 50 reduces the number of persons convicted of crimes related to controlled substances that become regulated under the measure, costs in the criminal justice system will be reduced by a minimal amount.

Local government impact. Local government workload and expenditures will increase to the extent local governments issue additional regulations on the operation of healing centers in their jurisdiction. County jail costs may be minimally reduced to the extent fewer persons are held in jails for offenses relating to controlled substances that become legal and regulated under the measure.

Economic impacts. Initiative 50 may increase the number of jobs and economic activity from providing access to psilocybin and other substances classified as natural medicines. However, spending on the permitted forms of natural medicine under the measure may shift spending away from other sectors of the economy or health care system, which could reduce economic activity in other areas.