

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: General Government Subcommittee

From: Zane Potter, Legislative Fiscal Office

Date: February 24, 2022

Subject: HB 4010 – Relating to kratom
Work Session Recommendations

HB 4010 requires processors of kratom products to register with the Department of Revenue (DOR) to distribute, sell, or offer for sale wholesale kratom products in the state beginning on or after July 1, 2023. DOR must adopt rules that establish procedures for a processor to register annually; certify that the products sold by a processor are tested by a third-party to satisfy industry standards; and is authorized to collect registration fees to support administration and enforcement of the measure. DOR may also impose civil penalties.

The fiscal impact of this measure is estimated to be \$195,894 General Fund for DOR to implement changes to its core and online systems.

The measure previously had hearings in the House Committee on Economic Recovery and Prosperity on 2/2/2022 and 2/7/2022 and was reported out with a do pass recommendation as amended.

Recommended Changes

LFO recommends adoption of the -A3 amendment, which provides a General Fund appropriation of \$195,894 to administer the measure.

Final Subcommittee Action

LFO recommends that HB 4010, as amended by the -A3 amendment, to be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____