

HB 4010 A BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Renee Klein, Department of Administrative Services

Reviewed By: Zane Potter, Legislative Fiscal Office

**Department of Revenue
2021-23**

PRELIMINARY

Budget Summary*

	2021-23	2022	Committee Change from	
	Legislatively Approved Budget	Committee Recommendation	2021-23 Leg. Approved	
			\$ Change	% Change
Department of Revenue				
General Fund	\$ -	\$ 195,894	\$ 195,894	100.0%
Total	\$ -	\$ 195,894	\$ 195,894	100.0%

* Excludes Capital Construction expenditures

Summary of Revenue Changes

House Bill 4010 appropriates \$195,894 General Fund to the Department of Revenue (DOR) for the purpose of implementing the Oregon Kratom Consumer Protection Act. During the 2021-23 biennium DOR will rely on General Fund to support the program. During the 2023-25 biennium the Department has been authorized to collect fees from kratom processors to cover the cost of program operations.

Summary of Natural Resources Subcommittee Action

HB 4010 requires kratom processors to register annually with DOR and prohibits the sale or distribution of kratom products to individuals under the age of 21. The measure becomes operative on July 1, 2023. To establish the registration process DOR will need to implement changes in both the GenTax core system and Revenue Online. Due to the timing of the measure, and other priority project work scheduled, DOR does not have capacity within its Information Technology Department to absorb this workload. To meet the July 1, 2023 implementation date, the Department will contract for configuration services. It is estimated the program will register no more than 10 processors. DOR anticipates being able to implement and administer the program with existing staff as long as the number of processors does not increase significantly. This workload would include writing administrative rules, developing implementation plans, and assisting in coordinating configuration and testing. The Subcommittee recommended a one-time appropriation of \$195,894 General Fund for implementation of this measure.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Revenue
Renee Klein -- 971-283-1841

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS</u>									
Department of Revenue									
SCR 006 - Business Division									
Services and Supplies	\$ 195,894	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,894		
SUBCOMMITTEE RECOMMENDATION *	\$ 195,894	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195,894		
% Change from 2021-23 Leg Approved Budget	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%

*Excludes Capital Construction Expenditures

PRELIMINARY