

HOUSE AMENDMENTS TO HOUSE BILL 4010

By COMMITTEE ON ECONOMIC RECOVERY AND PROSPERITY

February 8

1 On page 1 of the printed bill, delete lines 4 through 28 and delete page 2 and insert:

2 “**SECTION 1.** Sections 2 to 7 of this 2022 Act shall be known and may be cited as the
3 **Oregon Kratom Consumer Protection Act.**

4 “**SECTION 2.** As used in sections 2 to 7 of this 2022 Act:

5 “(1) ‘Kratom product’ means a food, food product, food ingredient, dietary ingredient,
6 dietary supplement or beverage for human consumption containing any part of the leaf of
7 the plant *Mitragyna speciosa*.

8 “(2) ‘Processor’ means a person that sells, distributes or exposes for sale kratom pro-
9 ducts on a wholesale basis to a retailer.

10 “(3) ‘Retailer’ means a person that sells, distributes or exposes for sale kratom products
11 to individuals for personal consumption.

12 “**SECTION 3.** (1) A processor may not sell, distribute or expose for sale a kratom product
13 prior to registering with the Department of Revenue under section 7 of this 2022 Act.

14 “(2) A processor that violates subsection (1) of this section is subject to a civil penalty
15 of not more than \$500 for the first offense and not more than \$1,000 for a second or subse-
16 quent offense.

17 “(3) Except as otherwise provided by state tax law or the department by rule or order,
18 a civil penalty imposed under this section may be appealed as a contested case proceeding
19 under ORS chapter 183.

20 “**SECTION 4.** (1) A retailer may not sell, distribute or expose for sale a kratom product
21 to an individual under 21 years of age.

22 “(2) A retailer that violates subsection (1) of this section is guilty of a Class C
23 misdemeanor for each violation.

24 “**SECTION 5.** The Department of Revenue shall deposit all moneys collected under
25 sections 3 and 7 of this 2022 Act in a suspense account established under ORS 293.445. The
26 department may pay expenses for the administration and enforcement of sections 2 to 7 of
27 this 2022 Act with moneys from the suspense account. The department shall pay refunds, if
28 any, with moneys in the suspense account. Moneys necessary to pay administrative and
29 enforcement expenses and refunds are continuously appropriated to the department from the
30 suspense account.

31 “**SECTION 6.** Except as otherwise provided or where the context requires otherwise, the
32 provisions of ORS chapters 305 and 314 as to the determination and notice of deficiencies,
33 assessments, collections, liens, delinquencies, claims for refund and refunds, stays of col-
34 lection pending appeal, confidentiality of registration and the related civil penalties, and the
35 related procedures, apply to the determination of civil penalties imposed under section 3 of

1 this 2022 Act and registration fees imposed under section 7 of this 2022 Act.

2 **“SECTION 7.** (1) The Department of Revenue shall adopt rules necessary to carry out
3 sections 2 and 3 of this 2022 Act, including rules establishing:

4 **“(a)** Procedures for a processor to register annually with the department, including a
5 requirement that a processor certify that all of the kratom products the processor will sell,
6 distribute or expose for sale are third-party tested to satisfy industry standards for
7 adulteration;

8 **“(b)** A reasonable registration fee to be paid to the department by a processor to support
9 the administration and enforcement of sections 2 to 7 of this 2022 Act; and

10 **“(c)** Any other requirements the department deems appropriate.

11 **“(2)** Fees collected under subsection (1) of this section may not exceed the cost to ad-
12 minister and enforce sections 2 to 7 of this 2022 Act.

13 **“SECTION 8.** (1) Sections 2 to 7 of this 2022 Act become operative on July 1, 2023.

14 **“(2)** The Department of Revenue may take any action before the operative date specified
15 in subsection (1) of this section that is necessary to enable the department to exercise, on
16 and after the operative date specified in subsection (1) of this section, all of the duties,
17 functions and powers conferred on the department by sections 2 to 7 of this 2022 Act.

18 **“SECTION 9.** In addition to and not in lieu of any other appropriation, there is appro-
19 priated to the Department of Revenue, for the biennium ending June 30, 2023, out of the
20 General Fund, the amount of \$_____, for implementing the Oregon Kratom Consumer
21 Protection Act.

22 **“SECTION 10.** This 2022 Act takes effect on the 91st day after the date on which the 2022
23 regular session of the Eighty-first Legislative Assembly adjourns sine die.”.

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