

Background

Kratom (*mitragyna speciosa*) is a tree which grows naturally in Thailand, Myanmar, Malaysia, and other South Asian countries. The leaves, or extracts from the leaves, are used recreationally, and sold at retail to consumers in Oregon. Oregon law does not regulate kratom, and House Bill 4010 would place registration of kratom processors with the Department of Revenue (DOR).

Kratom Processor Registration

House Bill 4010 requires processors of kratom products for retail sale in the state, to register with the Department of Revenue to transfer products to a retailer, beginning on July 1, 2023. Processors would register initially with the department using Revenue Online, pay an initial registration fee at the time of application, and will be required to re-register annually thereafter. The department's fee would be based on the expenses incurred by the department for administering kratom processor registration. Registered kratom processors will be listed on the Department of Revenue's website.

The bill requires that processors of kratom products certify that all kratom products distributed by the processor are tested by a third-party to satisfy standards for adulteration. Processors will be required to self-attest under penalty of perjury that they have complied with this requirement and may attach supporting documentation at the time of registration.

The bill further provides that a retailer of kratom products may not sell products processed by a processor who is not registered with the department. In addition, the bill provides that a processor that distributes products in violation to the bill could be subject to an escalating civil penalty and would be able to appeal the penalty as a contested case under ORS chapter 183. Finally, the bill adds a requirement that a retailer may not sell kratom products to anyone under the age of 21.

Implementation Notes

In January 2023, the department would begin configuration of Revenue Online and GenTax systems to support registration that would begin on June 1, 2023.

The department understands that less than 20 processors are likely to register with the state and the department would not be responsible for enforcement of retailers selling kratom to consumers.

Agency Contact

Marjorie Taylor, Legislative Director – marjorie.taylor@oregon.gov (503) 476-7644
Kelvin Adkins-Heljeson, OPA3, kelvin.adkins-heljeson@oregon.gov 503-991-9025