

Department of Planning and Budget

2023 Fiscal Impact Statement

1. Bill Number: HB1521

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Fowler

3. Committee: Committee on Health, Welfare and Institutions

4. Title: Kratom products; prohibited acts, civil penalty.

5. Summary: Provides that no person that sells, prepares, manufactures, distributes, or maintains kratom products, as defined in the bill, or advertises, represents, or holds itself out as selling, preparing, manufacturing, distributing, or maintaining kratom products shall prepare, distribute, sell, or expose for sale (i) any kratom product that includes or is packed with a substance that is not kratom and that affects the quality or strength of the kratom product or that contains any poisonous or otherwise deleterious ingredient; (ii) any kratom product that contains a level, as described in the bill, that is greater than two percent of the overall alkaloid composition of the product or any synthetic alkaloids or other synthetically derived compounds of the kratom plant; (iii) any kratom extract that contains levels of residual solvents that are higher than is allowed in Chapter 467 of current edition of the United States Pharmacopeia; or (iv) any kratom product that does not provide labeling directions necessary for safe and effective use by consumers, including a recommended serving size. The bill provides that any person that violates the provisions of the bill is subject to a civil penalty of \$100 for a first violation, \$200 for a second violation, and \$500 for a third or subsequent violation.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary (see Item 8).

8. Fiscal Implications: Under the provisions of the proposal, any person who prepares, distributes, sells, or exposes for sale any kratom product in violation of the provisions set out in the proposal are subject to a civil penalty of \$100 for a first violations, \$200 for a second violation, and \$500 for a third or subsequent violation. Any attorney for the Commonwealth of the county or city in which the alleged violation occurred may bring an action to recover the civil penalty, which shall be paid into the Literary Fund. However, there is not enough information to reliably estimate the impact on revenues of the Literary Fund as a result of the proposal.

According to the Department of Health Professions, there will be no fiscal impact on their operations as a result of the proposal. The fiscal impact on the Commonwealth's attorneys cannot be determined at this time.

9. Specific Agency or Political Subdivisions Affected: Courts, Department of Health Professions, state and local law enforcement agencies.

10. Technical Amendment Necessary: No.

11. Other Comments: None.