

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 655** HLS 23RS 2572

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.: **w/ PROP HSE FLOOR AMD**

Sub. Bill For.: **HB 572**

Date: May 23, 2023	3:31 PM	Author: GOUDEAU
Dept./Agy.: Alcohol and Tobacco Control, LA Dept. of Health		Analyst: Patrice Thomas
Subject: Kratom Consumer Protection Act		

CONSUMERS/PROTECTION

EG NO IMPACT See Note

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Provides relative to kratom products

Proposed law creates the Kratom Consumer Protection Act and requires processors of kratom to adhere to product limitations that exclude dangerous non-kratom substances and requires kratom products to have certain levels of residual solvents as well as certain concentration and compounds. Proposed law requires package of a kratom product to contain certain information. Proposed law prohibits the distribution and sale of kratom products to minors, under 21 years old. On or before February 1, 2024, the proposed law requires the Commissioner of the Office of Alcohol and Tobacco Control (ATC) to submit a report to the legislature on the feasibility of regulation kratom products, processors, and retailers. Proposed law requires kratom processors to submit adverse events (AE) reports to the LA Department of Health and US Food and Drug Administration.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed House Floor Amendment #3415

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed law requires the Commissioner of the Office of Alcohol and Tobacco Control (ATC) to submit a report to the legislature by February 1, 2024 on the feasibility of regulating kratom products, processors, and retailers. The Legislative Fiscal Office presumes ATC can complete the feasibility report utilizing existing staff and resources.

In addition, the proposed law requires the LA Department of Health (LDH) to receive adverse event reports from kratom processors. LDH has indicated that accepting adverse even reports required by this proposed law can be accomplished by utilizing existing staffing and resources.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
Evan Brasseaux
Interim Deputy Fiscal Officer