

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 778** HLS 26RS 1065
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 18, 2026 11:48 AM	Author: AMEDEE
Dept./Agy.: Corrections and Sheriffs	Analyst: Daniel Druilhet
Subject: Possession of Kratom	

CONTROLLED SUBSTANCES OR SEE FISC NOTE GF EX Page 1 of 1
 Provides with respect to the possession of Kratom

Current law provides for the composition of Schedule I, II, III, IV, and V substances under the Uniform Controlled Dangerous Substances Law; prohibits the possession, production, and distribution of all kratom; and assesses variable sentences for manufacture or distribution and possession of kratom. Proposed law adds kratom that is synthesized, semi-synthesized, or a synthetic-like compound to the list of Schedule I substances under the Uniform Controlled Dangerous Substances Law; provides that no person shall possess, produce, or distribute a product that contains (1) a level of kratom in the alkaloid fraction greater than two percent of total alkaloids in a container and with a single serving of a product exceeding one milligram per serving of kratom, or (2) a level of kratom in its natural form, or that is extracted using FDA-approved food solvents that limit the potency of the product, which contains residual solvents higher than what is allowed in the U.S. Pharmacopeia 467, or a single serving size of greater than 80 milligrams. Proposed law assesses a fine of \$500 to a person who unlawfully possesses two grams or less of a synthesized kratom product; provides that a person who unlawfully possesses or sells, cultivates, distributes, or otherwise produces more than two grams of synthesized kratom or a synthesized kratom product, shall be fined not less than \$2,000 or imprisoned for no less than one nor more than five years, with or without hard labor.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

Proposed law may result in an indeterminable increase in SGF expenditures in the Department of Public Safety & Corrections-Corrections Services (DPS&C-CS), to the extent that a person is convicted of unlawfully possessing more than two grams of synthesized kratom or a synthesized kratom product, or cultivating, producing, selling, or distributing synthesized kratom or a synthesized kratom product. Proposed law has the effect of reducing the amount of kratom or synthesized kratom product that an offender would need to possess, sell, cultivate, produce, or distribute to be assessed the maximum penalty (no more than five years imprisonment), from 500 or more grams to two or more grams. The proposed law is a relative felony. Any impact on state or local expenditures is contingent on whether offenders sustain either a misdemeanor or felony-grade conviction for its violation. The exact fiscal impact to DPS&C-CS is indeterminable, as it is unknown how many people will be convicted or the length of the sentences assessed with those convictions as a result of the enactment of the proposed law. The maximum imprisonment term for unlawfully possessing or selling more than two grams of synthesized kratom or a synthesized kratom product, or cultivating, selling, or otherwise producing or distributing synthesized kratom or a synthesized kratom product, is no more than five years.

To the extent that offenders sustain a felony-grade conviction for violation of the proposed law, DPS&C-CS will sustain an indeterminable increase in expenditures. For those convicted, sentenced, and then subsequently housed in a state facility, DPS&C-CS will sustain expenditures of \$107.60 per offender per day. For those housed in local facilities, DPS&C-CS will sustain expenditures of \$29.39 per offender per day. DPS&C-CS advises that impacts on offender populations are anticipated to impact the number of offenders held in local facilities, and that, in managing its offender population, it seeks to fill beds in state facilities first, then assigns offenders to local facilities.

To the extent that offenders sustain a misdemeanor conviction for violation of the proposed law, local governing authorities will sustain an indeterminable increase in Local Funds expenditures. The exact fiscal impact of the passage of this legislation to local governing authorities is indeterminable, since it is not known how many people will be convicted and incarcerated in local facilities, nor the length of sentences assessed with those convictions as a result of the enactment of the proposed law.

Note: Current law assesses penalties for kratom related offenses, as follows: (1) manufacture and distribution - less than 500 grams, no more than a \$50,000 fine, or imprisonment with or without hard labor for no less than 1 year nor more than 3 years, or both; (2) manufacture and distribution - 500 grams or more, no more than a \$50,000 fine, or imprisonment for not less than one nor more than five years, with or without hard labor; (3) possession - first conviction, 20 grams or less, no more than \$100 fine; (4) possession - first conviction, more than 20 grams, a fine of no more than \$500 or imprisonment for no more than six months; and (5) possession - second or subsequent conviction, a fine of no more than \$1,000 or imprisonment for no more than six months, or both.

REVENUE EXPLANATION

Proposed law may result in an indeterminable increase in local revenues as a result of convictions of unlawfully possessing or selling more than two grams of synthesized kratom or a synthesized kratom product, or cultivating, selling, or otherwise producing or distributing synthesized kratom or a synthesized kratom product. The exact fiscal impact of the passage of this proposed legislation on local revenue is indeterminable, as the fines that would be imposed on those convicted are optional, and the amount of fines, if imposed, may vary. The potential revenue will accrue to the local governing authority.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Patrice Thomas
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