

January 26, 2023

The Honorable Will Carpenter, Chairperson
House Committee on Federal and State Affairs
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Carpenter:

SUBJECT: Fiscal Note for HB 2084 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2084 is respectfully submitted to your committee.

HB 2084 would create the Kratom Consumer Protection Act which would permit the Secretary of Agriculture to implement a fine on processors and retailers that sell, prepare, manufacture, distribute, or advertise kratom products that are adulterated with dangerous non-kratom substances. The bill would also prohibit certain levels of synthetic additions to kratom products. The bill would require the Secretary to promulgate rules and regulations to administer the Act.

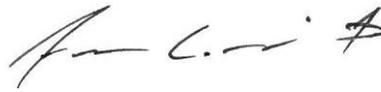
Estimated State Fiscal Effect				
	FY 2023 SGF	FY 2023 All Funds	FY 2024 SGF	FY 2024 All Funds
Revenue	--	--	--	\$105,000
Expenditure	--	--	--	\$160,000
FTE Pos.	--	--	--	--

The Department of Agriculture would enforce this Act by requiring registration or licensure of kratom processors, retailers, and products. Using fee structures similar to those used in other Department of Agriculture regulatory programs, the Department estimates that HB 2084 would generate \$105,000 of revenue in FY 2024 and \$82,500 of revenue in all subsequent fiscal years. The larger revenue estimate for FY 2024 is due to one-time registration fees.

The most significant expense associated with HB 2084 is for testing products, with lab testing supplies costing nearly \$700 per sample. The Department of Agriculture estimates that the cost of implementing HB 2084 would total \$160,000 per year, including \$140,000 per year for product testing and \$20,000 per year for administration and overhead.

The Kansas Bureau of Investigation indicates that enactment of the bill would not have a fiscal effect on the agency. Any fiscal effect associated with HB 2084 is not reflected in *The FY 2024 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Kellen Liebsch, Department of Agriculture
Paul Weisgerber, Kansas Bureau of Investigation