HB 2646-2 (LC 1253) 3/29/21 (JLM/vsr/ps)

Requested by Representative POST

PROPOSED AMENDMENTS TO HOUSE BILL 2646

On page 1 of the printed bill, delete lines 4 through 28 and delete page 2 2 and insert:

<u>SECTION 1.</u> Sections 2 to 5 of this 2021 Act shall be known and
may be cited as the Oregon Kratom Consumer Protection Act.

5 "SECTION 2. As used in sections 2 to 5 of this 2021 Act:

"(1) 'Kratom product' means a food, food product, food ingredient,
dietary ingredient, dietary supplement or beverage for human consumption containing any part of the leaf of the plant Mitragyna
speciosa.

10 "(2) 'Processor' means a person, excluding a retailer, that:

"(a) Sells, prepares, processes, manufactures, distributes or main tains kratom products; or

"(b) Advertises, represents or holds out as being a person that sells,
 prepares, processes, manufacturers, distributes or maintains a kratom
 product.

"(3) 'Retailer' means a person that sells, distributes or exposes for
 sale kratom products to individuals for personal consumption.

18 "<u>SECTION 3.</u> (1) A processor may not sell, prepare, process, manu-19 facture, distribute, maintain or expose for sale a kratom product prior 20 to registering with the State Department of Agriculture pursuant to 21 section 5 of this 2021 Act. "(2) A retailer may not sell, distribute or expose for sale a kratom
 product sold, prepared, processed, manufactured, distributed or main tained by a processor that is not registered with the department.

4 "(3) The following kratom products may not be sold, distributed or
5 exposed for sale by a processor or retailer:

6 "(a) A kratom product that is adulterated with a dangerous 7 nonkratom substance. A kratom product is adulterated with a dan-8 gerous nonkratom substance if the kratom product is mixed or packed 9 with a nonkratom substance and that substance affects the quality or 10 strength of the kratom product to such a degree as to render the 11 kratom product injurious to a consumer.

"(b) A kratom product that is contaminated with a dangerous nonkratom substance. A kratom product is contaminated with a dangerous nonkratom substance if the kratom product contains a poisonous or otherwise deleterious nonkratom ingredient, including, but not limited to, any of the substances listed in ORS 475.005 (6).

"(c) A kratom product containing a level of 7-hydroxymitragynine
 in the alkaloid fraction that is greater than two percent of the overall
 alkaloid composition of the product.

"(d) A kratom product containing any synthetic alkaloids including
 synthetic mitragynine, synthetic 7-hydroxymitragynine or any other
 synthetically derived compounds of the Mitragyna speciosa plant.

"(4) A processor that violates subsection (1) of this section or a retailer that violates subsection (2) of this section is subject to a civil penalty of not more than \$500 for the first offense and not more than \$1,000 for the second or subsequent offense. Upon request by the processor or retailer to whom an administrative fine is issued, the Director of Agriculture shall conduct a hearing in accordance with contested case proceedings under ORS chapter 183.

30 "(5) A retailer does not violate subsection (2) of this section if it is

shown by a preponderance of the evidence that the retailer relied in
good faith upon the representation of a processor regarding the registration of the processor.

4 "<u>SECTION 4.</u> (1) A retailer may not distribute, sell or expose for
5 sale a kratom product to an individual under 21 years of age.

6 "(2) A retailer that violates subsection (1) of this section is guilty 7 of a Class C misdemeanor for each violation.

8 "<u>SECTION 5.</u> The State Department of Agriculture shall adopt rules 9 necessary to carry out sections 2 and 3 of this 2021 Act, including rules 10 establishing:

"(1) Standards for testing to ensure a kratom product is safe for
 human consumption;

"(2) Standards for accurate labeling to ensure safe and effective use
 of a kratom product by consumers, including a recommended serving
 size;

"(3) Procedures by which a processor may register with the department, including a requirement that the processor sign, under penalty
of perjury, an affidavit certifying compliance with section 3 (1) and (3)
of this 2021 Act and any rules adopted by the department under this
section, including standards for testing and labeling;

"(4) A model form for the affidavit described in subsection (3) of
this section;

23 "(5) A reasonable fee to be paid to the department by a processor
24 to cover the cost of registering the processor; and

25 "(6) Procedures by which a person may submit a complaint upon
 26 good-faith belief that:

"(a) A processor has violated section 3 (1) or (3) of this 2021 Act or
any rule adopted by the department under this section; or

"(b) A retailer has violated section 3 (2) or (3) of this 2021 Act or
any rule adopted by the department under this section.

"SECTION 6. (1) Sections 2 to 5 of this 2021 Act become operative
on January 1, 2022.

"(2) The State Department of Agriculture may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the department to exercise, on and after the operative date specified in subsection (1) of this section, all of the duties, functions and powers conferred on the department by sections 2 to 5 of this 2021 Act.

9 "<u>SECTION 7.</u> This 2021 Act takes effect on the 91st day after the
10 date on which the 2021 regular session of the Eighty-first Legislative
11 Assembly adjourns sine die.".

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