

HB 4010 A STAFF MEASURE SUMMARY

House Committee On Economic Recovery and Prosperity

Action Date: 02/07/22

Action: Do pass with amendments and be referred to Ways and Means by prior reference.
(Printed A-Eng.)

Vote: 10-0-0-0

Yeas: 10 - Bonham, Cate, Hudson, Kropf, Levy, Lively, Prusak, Ruiz, Wallan, Witt

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 2/2, 2/7

WHAT THE MEASURE DOES:

Requires kratom processors and retailers to register annually with the Oregon Department of Revenue (DOR). Allows DOR to impose administrative fines for failing to register. Requires DOR to place all moneys obtained from kratom related fines and fees into suspense account. Allows funds from suspense accounts to be used for kratom-related administrative and enforcement expenses as well as refunds. Specifies what statutes related to administrative determinations and notice requirements apply to the determination of kratom-related administrative civil penalties and fees. Prohibits sale or distribution of kratom products to individuals under 21. Makes prohibited sale a Class C misdemeanor. Authorizes DOR to adopt rules, including testing requirements, and impose a reasonable registration fee. Creates definitions. Takes effect 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Need to regulate kratom
- Past kratom legislation
- Industry views
- Role of Oregon Department of Revenue

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

Kratom (*Mitragyna speciosa*) is a tree native to southeast Asia. Kratom leaves are typically chewed, brewed, or crushed into a bitter green powder and are sold in the United States as pills, capsules, teas, or extracts. Kratom consumption produces stimulant effects in low doses and sedative effects in high doses. Kratom is used recreationally, to treat pain, and for opioid cessation. However, there are few scientific studies on the safety of kratom use or the effectiveness of treatments involving kratom. In 2021, the Legislative Assembly passed House Bill 2646 which would have prohibited the sale of kratom products to individuals under 21 and allowed the Oregon Department of Agriculture to regulate kratom and create testing and labeling standards. However, the measure was vetoed by the Governor and did not go into effect.

House Bill 4010 A requires kratom processors and retailers to register with the Oregon Department of Revenue and prohibits the sale or distribution of kratom products to individuals under 21.