

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 87TH LEGISLATIVE REGULAR SESSION**

**April 18, 2021**

**TO:** Honorable Stephanie Klick, Chair, House Committee on Public Health

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB1097** by Lozano (Relating to the processing and sale of kratom and kratom products; providing civil penalties; creating a criminal offense.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would require kratom processors and retailers to follow certain requirements related to labeling and selling kratom and impose a civil penalty if the provisions are violated. The bill would create a criminal offense if someone distributes, sells, or exposes for sale a kratom product to someone who is younger than 18 years of age. The offense created by this bill would be a Class C misdemeanor. It is assumed the provisions of the bill could be implemented within existing resources.

**Local Government Impact**

A Class C misdemeanor is punishable by a fine of not more than \$500. In addition to the fine, punishment can include up to 180 days of deferred disposition. Costs associated with enforcement and prosecution could likely be absorbed within existing resources. Revenue gain from fines imposed and collected is not anticipated to have a significant fiscal impact.

**Source Agencies:** 212 Office of Court Admin, 302 Office of the Attorney General, 304 Comptroller of Public Accounts, 529 Hlth & Human Svcs Comm, 537 State Health Services

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