

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

March 26, 2025

TO: Honorable Bryan Hughes, Chair, Senate Committee on State Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB1868 by Perry (Relating to adding certain substances to the Texas Controlled Substances Act and prohibiting the production, manufacture, distribution, delivery, sale, and possession of certain hallucinogenic substances; creating criminal offenses.), **As Introduced**

Creating new criminal offenses and expanding conduct constituting existing offenses may result in additional demands upon state and local correctional resources due to a possible increase in the number of individuals placed under supervision in the community or sentenced to a term of confinement. The fiscal implications of the bill cannot be determined due to a lack of data to estimate the prevalence of conduct outlined in the bill's provisions that would be subject to criminal penalties.

The bill would expand Penalty Group 1 of the Texas Controlled Substances Act to include kratom, kratom products, and tianeptine, such that, dependent on quantity of the material, possession would be subject to penalties ranging from a state jail felony to a first degree felony with a minimum ten year sentence, while manufacture or delivery would be subject to penalties ranging from a state jail felony to a first degree felony with a minimum fifteen year sentence.

The bill would create a Class B misdemeanor offense punishable when a person knowingly possesses a material, compound, mixture, or preparation that contains a hallucinogenic substance. The bill would create a state jail felony offense punishable when a person knowingly produces, manufactures, distributes, delivers, sells, or possesses with intent to produce, manufacture, distribute, deliver, or sell a material, compound, mixture, or preparation that contains a hallucinogenic substance.

The bill would provide for collection of civil penalties for certain hallucinogenic substances offenses not to exceed \$25,000 a day for each offense; each day an offense is committed would constitute a separate violation.

The Office of Court Administration indicates that the fiscal impact is indeterminate. While the Comptroller of Public Accounts indicates that the fiscal impact is indeterminate, it notes the bill's potential to lead to increased state revenue due to court costs and civil penalties.

Local Government Impact

While the fiscal impact cannot be determined, creating new offenses and expanding conduct constituting existing offenses may result in increased demands upon local correctional resources due to a possible increase in the number of individuals placed under supervision in the community or confined locally. Collection of civil penalties may result in an increase in local revenue collections.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts

LBB Staff: JMc, WP, DGI, QH