

SENATE COMMITTEE OF REFERENCE REPORT

Chair of Committee

Date

March 16, 2022

Committee on Finance.

After consideration on the merits, the Committee recommends the following:

SB22-120 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

- 1 Amend printed bill, page 2, strike lines 10 through 12.
- 2 Renumber succeeding subsections accordingly.
- 3 Page 2, line 13, strike "FOOD" and substitute "PRODUCT".
- 4 Page 2, strike lines 17 through 19.
- 5 Page 3, strike line 1 and substitute:
 - 6 "(2) (a) "KRATOM PROCESSOR" OR "PROCESSOR" MEANS A PERSON:
 - 7 (I) THAT SELLS, PREPARES, OR MAINTAINS A KRATOM PRODUCT; OR
 - 8 (II) THAT ADVERTISES, REPRESENTS, OR HOLDS ITSELF OUT AS
 - 9 SELLING, PREPARING, OR MAINTAINING A KRATOM PRODUCT.
 - 10 (b) "KRATOM PROCESSOR" OR "PROCESSOR" DOES NOT INCLUDE A
 - 11 RETAILER."
- 12 Page 3, line 4, strike "FOOD,".
- 13 Page 3, after line 5 insert:
 - 14 "(4) "LOCAL GOVERNMENT" MEANS A HOME RULE OR STATUTORY
 - 15 COUNTY, MUNICIPALITY, OR CITY AND COUNTY.
 - 16 (5) "RETAILER" MEANS A PERSON THAT SELLS, OFFERS FOR SALE,
 - 17 OR DISTRIBUTES A KRATOM PRODUCT TO INDIVIDUALS FOR PERSONAL
 - 18 CONSUMPTION."

- 1 Page 3, line 7, strike "JANUARY 1, 2023," and substitute "JULY 1, 2023,".
- 2 Page 3, line 14, after "RULE." add "THE AMOUNT OF THE FEE MUST
3 REFLECT THE ACTUAL DIRECT COSTS INCURRED BY THE DEPARTMENT IN
4 IMPLEMENTING THIS ARTICLE 15."
- 5 Page 3, line 16, "JANUARY 1, 2023," and substitute "JULY 1, 2023,".
- 6 Page 3, strike line 22.
- 7 Renumber succeeding subparagraphs accordingly.
- 8 Page 3, line 25, strike "FOOD,".
- 9 Page 4, line 8, strike "ANALYSIS" and substitute "ANALYSIS, AT THE
10 PROCESSOR'S OWN EXPENSE,".
- 11 Page 4, line 9, strike "FOOD".
- 12 Page 4, strike lines 11 through 15 and substitute:
- 13 "(d) IF AN ADDITIVE OR SOLVENT IS USED IN MANUFACTURING THE
14 KRATOM PRODUCT OR KRATOM EXTRACT, A WRITTEN ACKNOWLEDGMENT
15 THAT THE ADDITIVE OR SOLVENT COMPLIES WITH THE APPLICABLE
16 PRODUCT LIMITATIONS IN THE UNITED STATES PHARMACOPEIA."
- 17 Page 5, strike lines 11 and 12 and substitute "NECESSARY FOR SUGGESTED
18 USE BY A CONSUMER, INCLUDING THE TOTAL SUGGESTED SERVING SIZE OF
19 THE KRATOM PRODUCT; AND".
- 20 Page 6, after line 9 insert:
- 21 "(c) A RETAILER THAT VIOLATES SECTION 44-15-108 IS SUBJECT TO
22 A FINE IN AN AMOUNT DETERMINED BY THE DEPARTMENT BY RULE."
- 23 Page 6, line 12, strike "EIGHTEEN" and substitute "TWENTY-ONE".
- 24 Page 6, line 26, after "**Rules.**" insert "(1)".
- 25 Page 7, line 1, strike "ARTICLE 15." and substitute "ARTICLE 15,
26 INCLUDING RULES RELATING TO:
- 27 (a) REQUIREMENTS TO PREVENT THE SALE OR DISTRIBUTION OF
28 KRATOM PRODUCTS AND KRATOM EXTRACTS TO PERSONS UNDER

1 TWENTY-ONE YEARS OF AGE;

2 (b) PROHIBITING KRATOM PROCESSORS FROM SPECIFICALLY
3 DIRECTING ADVERTISING AND MARKETING OF KRATOM PRODUCTS AND
4 KRATOM EXTRACTS TO PERSONS UNDER TWENTY-ONE YEARS OF AGE;

5 (c) REQUIREMENTS FOR KRATOM PROCESSORS TO ANNUALLY
6 PROVIDE INFORMATION ON THE AGGREGATE MARKET SALES OF KRATOM
7 PRODUCTS AND KRATOM EXTRACTS TO THE DEPARTMENT;

8 (d) REQUIREMENTS FOR KRATOM PROCESSORS TO PACKAGE ANY
9 KRATOM PRODUCTS OR KRATOM EXTRACTS IN CHILD-RESISTANT
10 PACKAGING; AND

11 (e) REQUIREMENTS FOR THE SALE BY RETAILERS OF KRATOM
12 PRODUCTS AND KRATOM EXTRACTS MANUFACTURED BY KRATOM
13 PROCESSORS.

14 **44-15-108. Local governments.** NOTHING IN THIS ARTICLE 15 OR
15 THE RULES PROMULGATED BY THE EXECUTIVE DIRECTOR PURSUANT TO
16 THIS ARTICLE 15 LIMITS A LOCAL GOVERNMENT FROM ENACTING OR
17 ENFORCING AN ORDINANCE, RESOLUTION, REGULATION, OR OTHER LAW
18 RELATING TO THE MANUFACTURE, SALE, OFFERING FOR SALE, TRANSFER,
19 POSSESSION, OR USE OF ANY KRATOM PRODUCT IN THE JURISDICTION OF
20 THE LOCAL GOVERNMENT, SO LONG AS THE ORDINANCE, RESOLUTION,
21 REGULATION, OR OTHER LAW ENACTED OR ENFORCED BY A LOCAL
22 GOVERNMENT IS NO LESS RESTRICTIVE THAN THE REQUIREMENTS OF THIS
23 ARTICLE 15.

24 **44-15-109. Publishing of names and addresses of kratom**
25 **processors - reporting of sales of kratom products.** (1) IN ORDER TO
26 ENFORCE LAWS RELATED TO THE REGULATION OF KRATOM PRODUCTS, THE
27 DEPARTMENT OF REVENUE SHALL MAINTAIN AND PUBLISH ON THE
28 DEPARTMENT'S WEBSITE THE BUSINESS NAMES AND ADDRESSES OF
29 KRATOM PROCESSORS AND MAY SHARE THE LIST WITH ANY STATE OR
30 LOCAL AGENCY RESPONSIBLE FOR THE ENFORCEMENT OF LAWS RELATING
31 TO THE MANUFACTURE, SALE, OFFERING FOR SALE, TRANSFER, POSSESSION,
32 OR USE OF KRATOM PRODUCTS.

33 (2) THE DEPARTMENT OF REVENUE SHALL REQUIRE KRATOM
34 PROCESSORS TO ANNUALLY REPORT THE AMOUNT OF SALES OF KRATOM
35 PRODUCTS TO THE DEPARTMENT. THE DEPARTMENT MAY PUBLISH ANY
36 AGGREGATE MARKET DATA COMPILED PURSUANT TO THIS SUBSECTION (2)
37 ON ITS WEBSITE.

38 **44-15-110. Retailers.** (1) A RETAILER SHALL NOT DISTRIBUTE,
39 SELL, OR OFFER FOR SALE A KRATOM PRODUCT:

40 (a) TO AN INDIVIDUAL UNDER TWENTY-ONE YEARS OF AGE; OR
41 (b) MANUFACTURED BY A KRATOM PROCESSOR THAT HAS NOT
42 COMPLIED WITH THE REQUIREMENTS OF SECTION 44-15-103."

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