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Office of Research
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Office

H.B. 236
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 236's Bill Analysis](#)

Version: As Passed by the House

Primary Sponsors: Reps. Fraizer and Lipps

Local Impact Statement Procedure Required: No

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Highlights

- The Division of Food Safety within the Department of Agriculture will incur costs to create a program to monitor and regulate the processing of kratom and kratom products. These costs would be offset by an annual license fee that is to be established in rule. Costs would be paid from the Kratom Program Fund which the bill creates for the Department to use to administer and enforce the program.
- The bill may minimally increase caseload for county prosecutors to prosecute violations of the bill's provisions. The bill establishes a minor misdemeanor for a first offense (maximum fine of \$150) and a fourth degree misdemeanor for subsequent violations (maximum fine of \$250 and a jail sentence of not more than 30 days).

Detailed Analysis

Regulation of kratom

The Division of Food Safety within the Department of Agriculture will incur costs to create a program to monitor and regulate kratom processing. Specifically, the bill requires the Department to issue kratom processing licenses and establish procedures for testing and inspecting kratom products. The kratom processing license is valid for three years. The cost that will be incurred by the Department ultimately depends on the number of kratom processors, which is unknown. This cost may be offset by an annual license fee that is to be established in rule by the Department. License fees will be deposited into the Kratom Program Fund created by the bill.

The Division employs 16 food safety specialists and 13 other food safety personnel. Depending on the number of licensed kratom processors, the Division may need to hire additional food safety specialists. Based on the state's employee classification plan, if a Food

Safety Specialist 1 is hired at the starting annual salary of approximately \$49,900, it will bring the Division's potential payroll costs to between \$66,000 and \$82,400. This includes \$6,986 (14% of annual salary to cover the employer's share of retirement) and the employer's share of health insurance (\$9,200 for single coverage or \$25,500 for family coverage under the state's traditional health plan). Other costs the Division will incur are: travel time for inspections, testing kratom, and updating the Department's licensing database to include the kratom application and license.

Criminal penalties and prosecution

The bill also requires the Director of the Department to report a person whom the Director determines has violated the bill's prohibitions with a culpable mental state of recklessness or greater to the Attorney General and the applicable county prosecutor. The bill establishes a minor misdemeanor for a first offense and a fourth degree misdemeanor for each subsequent offense for such violations. As a result, this may minimally increase caseload for the Attorney General or county prosecutor to prosecute these violations. The maximum fine for a minor misdemeanor is \$150. The maximum for a fourth degree misdemeanor is a \$250 fine and a jail sentence of not more than 30 days.