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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**S.B. 103**  
**135<sup>th</sup> General Assembly**

## **Fiscal Note & Local Impact Statement**

[Click here for S.B. 103's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsor:** Sen. Blessing

**Local Impact Statement Procedure Required:** No

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### **Highlights**

- The Department of Agriculture and local boards of health will incur costs to register and oversee the manufacturing, processing, and sale of kratom products. These costs may be offset by the application fees that are to be established in rule. The receipts would be deposited into the Food Safety Fund (Fund 4P70).
- The Division of Food Safety may need to hire additional food safety specialists and a food safety coordinator, depending on the number of licensed kratom processors. These costs would be shared between Fund 4P70 and GRF appropriations budgeted for the Division.
- The bill allows individuals to bring civil actions under certain circumstances and designates the reckless sale or distribution of kratom to minors as a second degree misdemeanor. This could result in minimal additional costs to courts and be partially offset by the imposition of court costs.

### **Detailed Analysis**

#### **Regulation of kratom**

The Department of Agriculture (AGR) and local boards of health would incur costs to oversee and enforce the registration and use of kratom. Specifically, the bill requires food processing establishments and retail food establishments to register kratom products with AGR in order to process, package, manufacture, hold or handle for distribution, distribute, or sell these items. Local boards of health license retail food establishments with oversight from AGR. The costs that will be incurred by AGR and local boards of health ultimately depend on the number of registered kratom products, which is unknown. These costs may be offset by the application fees that are to be established in rule by the Department.

## **Registration and oversight**

Currently, food processing establishments register with AGR's Division of Food Safety. Retail food establishments are licensed by local boards of health with oversight by the Division. The Division or local boards of health do not register the individual products these establishments make, as would be required of kratom products under the bill. In CY 2022, there were nearly 3,700 registered food processing establishments and approximately 19,500 licensed retail food establishments. The annual food processing establishment registration fee ranges from \$50 to \$300 depending on square footage and is deposited into the Food Safety Fund (Fund 4P70). Annual license fees for retail food establishments varies between local boards of health and depends on the size of the building, risk level, and whether the business is a commercial or noncommercial establishment. Of this license fee amount, \$14 or \$28, depending on whether the retail food establishment is commercial or noncommercial, is remitted to AGR and deposited into Fund 4P70. In addition to Fund 4P70, the Division's operating expenses are supported by GRF line item 700407, Food Safety.

## **Potential regulatory costs**

The Division currently has 17 food safety specialists and 15 other food safety personnel. Depending on the number of licensed kratom processors, the Division may need to hire additional food safety specialists. The average payroll cost for a food safety specialist is about \$96,000 per year. The salary of a Food Safety Specialist 1 ranges from \$52,936 to \$69,950. After three to five years, a specialist can advance to a Food Safety Specialist 2 which receives a salary ranging from approximately \$58,000 to \$85,000. For FY 2024, the salary for food safety specialists will total approximately \$1.1 million with an estimated additional amount of about \$500,000 in fringe benefits. A food safety coordinator may also be needed to administer the program. This position would receive a salary of around \$73,000, with fringe benefits adding roughly \$26,000. Other costs the Division will incur are: additional equipment for testing, travel time for inspections, testing kratom, and updating the Department's licensing database to include the kratom application and registration information.

## **Court costs**

The bill allows an individual to bring a civil action for damages resulting from a food processing establishment and licensed retail food establishment violating the bill's requirements. As a result, local courts may incur a minimum increase in costs if the bill increases caseloads. Any increase could be at least partially offset by the imposition of court costs. The bill also states that a person who recklessly distributes or sells a kratom product to an individual who is 18 years or younger is guilty of a second degree misdemeanor. A second degree misdemeanor is punishable by up to 90 days in jail with a maximum fine of \$750.