Fiscal Note
4th Sub. S.B. 45 (Pumpkin)
2026 General Session
Kratom Adjustments
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General, Income Tax, and Uniform School Funds JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	$(1,723,500)	$105,100	$(1,618,400)

State Government UCA 36-12-13(2)(c)

Revenues	*FY 2026*	*FY 2027*	*FY 2028*
Court Security Account (GFR)	$0	$5,300	$5,300
Dedicated Credits Revenue	$0	$(115,900)	$(115,900)
General Fund	$0	$181,900	$181,900
Total Revenues	$0	$71,300	$71,300

Enactment of this legislation could reduce the revenue collected by the Department of Agriculture by $115,900 ongoing in Dedicated Credits beginning in FY 2027 from a reduction of Kratom product registration (233 products at $475 each for $110,700 in total) and the loss of sales revenue from the 52 establishments who will no longer be allowed to sell Kratom products (an estimated $5,200 in revenue across 52 retailers). It could also result in ongoing General Fund revenue of $182,000 from the assessment of fines and criminal surcharge fees beginning in FY 2027. This could also result in $5,300 in ongoing revenue to the Court Security Account beginning in FY 2027.

Expenditures	*FY 2026*	*FY 2027*	*FY 2028*
Dedicated Credits Revenue	$0	$(115,900)	$(115,900)
Dedicated Credits Revenue, One-time	$(4,700)	$0	$0
General Fund	$0	$1,905,400	$1,905,400
General Fund, One-time	$360,000	$(465,100)	$(232,500)
Total Expenditures	$355,300	$1,324,400	$1,557,000

Enactment of this bill could cost a total of $1,440,300 from the General Fund in FY 2027, $1,672,900 in FY 2028, and $1,905,400 in each year thereafter. The cost breakdown is as follows: 1. Courts - $286,800 ongoing beginning in FY 2027 for case processing; 2. Department of Corrections - $1,143,000 in FY 2027, $1,371,000 in FY 2028, $1,599,000 in each year thereafter; 3. Board of Pardons and Parole - $4,500 in FY 2027, $9,100 in FY 2028, $13,600 in each year thereafter; and 4. Department of Public Safety - $6,000 for lab equipment. This assumes the following increases: 1. Probation - 150 additional 1-year commitments; 2. Prison - 6 additional 3-year commitments; 3. Parole - all 1-year commitments. Also, this bill could result in a one-time reduction of $4,700 of dedicated credits in FY 2026 and an ongoing reduction of $115,900 of dedicated credits beginning in FY 2027 from the Department of Agriculture, which would issue fewer licenses to retailers and register fewer Kratom products for sale. Finally, enactment of this legislation could cost the Department of Public

Safety $360,000 one-time from the General Fund in FY 2026 to purchase equipment and validate testing protocols for Kratom.

	FY 2026	FY 2027	FY 2028
Net All Funds	$(355,300)	$(1,253,100)	$(1,485,700)

Local Government UCA 36-12-13(2)(c)

Enactment of this legislation could result in $62,000 in ongoing revenue to local entities from fines and fees.

Individuals & Businesses UCA 36-12-13(2)(c)

Individuals cited for violations could pay up to $5,000 per case for an aggregated cost of $250,000 in fines and surcharge fees beginning in FY 2027.

Regulatory Impact UCA 36-12-13(2)(d)

Enactment of this legislation could result in a small increase in the regulatory burden for Utah residents or businesses.

Performance Evaluation JR1-4-601

This bill does not create a new program or significantly expand an existing program.

Notes on Notes

Fiscal explanations estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal explanation is not an appropriation. The Legislature decides appropriations separately.