# SB 25-072

# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## SB 25-072: REGULATION OF KRATOM

**Prime Sponsors:**
Sen. Mullica; Pelton B.
Rep. Lindsay; Soper

**Fiscal Analyst:**
Matt Bishop, 303-866-4796
matt.bishop@coleg.gov

**Bill Outcome:** Signed into Law
**Drafting number:** LLS 25-0580

**Version:** Final Fiscal Note
**Date:** August 5, 2025

**Fiscal note status:** The final fiscal note reflects the enacted bill.

## Summary Information

**Overview.** The bill creates new deceptive trade practices regarding kratom products.

**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis:

- State Revenue
- State Expenditures
- Local Government

**Appropriations.** No appropriation is required.

**Table 1**
**State Fiscal Impacts**

| Type of Impact[1] | Budget Year FY 2025-26 | Out Year FY 2026-27 |
|---|---|---|
| State Revenue | $0 | $0 |
| State Expenditures | $0 | $0 |
| Transferred Funds | $0 | $0 |
| Change in TABOR Refunds | $0 | $0 |
| Change in State FTE | 0.0 FTE | 0.0 FTE |

## Summary of Legislation

Under current law, it is a civil infraction to furnish a kratom product to anyone under 21 years old and, and retailers must check identification before selling kratom. The bill makes it a deceptive trade practice to sell a kratom product, including synthetic and natural kratom products:

- to a person under 21 years old, or that is accessible to a person under that age;
- that is adulterated or fails to meet certain composition standards;
- that mimics candy or is marketed to appeal to children;
- that is combustible; or
- that fails to meet certain labelling requirements.

## State Revenue

Beginning in FY 2026-27, the bill may increase civil penalties and filing fees.

### Civil Penalties

Under the Colorado Consumer Protection Act, a person committing a deceptive trade practice may be subject to a civil penalty of up to $20,000 for each violation. Additional penalties may be imposed for subsequent violations of a court order or injunction. This revenue is classified as a damage award and not subject to TABOR. Given the uncertainty about the number of cases that may be pursued by the Attorney General and district attorneys, as well as the wide range in potential penalty amounts, the fiscal note cannot estimate the potential impact of these civil penalties.

### Filing Fees

The bill may minimally increase revenue to the Judicial Department from an increase in civil case filings. Revenue from filing fees is subject to TABOR.

## State Expenditures

The bill minimally affects workload in the Department of Law and the Judicial Department.

### Department of Law

Workload in the Department of Law will minimally increase to the extent that deceptive trade practice complaints are filed. The department will review complaints under the bill and prioritize investigations as necessary within the overall number of deceptive trade practice complaints and available resources.

### Judicial Department

The trial courts in the Judicial Department may have an increase in cases filed under the Colorado Consumer Protection Act from the addition of a new deceptive trade practice. It is assumed that kratom retailers and manufacturers will abide by the law and that any violation of the legislation will result in minimal number of new cases. The fiscal note assumes that this can be accomplished within existing resources and that no change in appropriations is required.

## Local Government

Similar to the state, to the extent district attorneys receive deceptive trade practice complaints related to the new deceptive trade practice under the bill, workload will increase to investigate complaints and seek relief when appropriate. It is assumed most such cases will be handled at the state level by the Attorney General.

## Effective Date

This bill was signed into law by the Governor and took effect on May 29, 2025, and applies to conduct occurring on or after that date.

## State and Local Government Contacts

Information Technology
Law
Personnel
Revenue
Treasury