ASSEMBLY BILL NO. 322—ASSEMBLYMEN NGUYEN, YEAGER, GONZÁLEZ; BROWN-MAY, DICKMAN, D'SILVA AND GALLANT

MARCH 16, 2023

JOINT SPONSORS: SENATORS HANSEN; AND NGUYEN

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to kratom products. (BDR 52-763)

FISCAL NOTE: Effect on Local Government: Increases or Newly
Provides for Term of Imprisonment in County or City
Jail or Detention Facility.
Effect on the State: Yes.

EXPLANATION - Matter in bolded italics is new; matter between brackets [omitted material] is material to be omitted.

AN ACT relating to public health; prohibiting a person from preparing, distributing, advertising, selling or offering to sell a kratom product unless the kratom product has been registered with the State Board of Oriental Medicine; setting forth requirements for the registration of a kratom product with the Board; authorizing the Board to take certain actions relating to kratom products offered for sale that are not registered with the Board; authorizing the Board to adopt certain regulations governing kratom products; revising provisions establishing certain prohibited acts relating to kratom products; providing penalties; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law defines "kratom product" to mean, in general, any product or ingredient containing any part of the leaf of the *Mitragyna Speciosa* plant if the plant contains the alkaloid mitragynine or 7-hydroxymitragynine, or any synthetic material that contains the alkaloid mitragynine or 7-hydroxymitragynine. Existing law prohibits a person from: (1) selling or offering to sell any material, compound, mixture or preparation containing a kratom product to a child under the age of 18 years; (2) preparing, distributing, advertising, selling or offering to sell a kratom





product that is adulterated with certain substances; and (3) selling a kratom product that does not have a label that meets certain requirements. Existing law provides for the imposition of a civil penalty of not more than \$1,000 against a person who violates those prohibitions. (NRS 597.998)

Section 5 of this bill revises the definition of kratom product to mean food containing any part of the leaf of the *Mitragyna Speciosa* plant. **Section 9** of this bill revises the prohibited acts relating to kratom products set forth under existing law to revise: (1) requirements relating to the type of kratom products that a person is prohibited from preparing, distributing, advertising, selling or offering to sell; and (2) the information that must be included on a label for a kratom product. **Section 9** eliminates the civil penalty imposed for engaging in such prohibited acts and instead provides that a person who engages in such prohibited acts is guilty of a misdemeanor.

Section 6 of this bill prohibits a person from preparing, distributing, advertising, selling or offering to sell a kratom product unless the kratom product has been registered with the State Board of Oriental Medicine. **Section 6** authorizes the Board to: (1) impose an administrative fine for a violation of that prohibition; and (2) seize and destroy a kratom product which is offered for sale and which has not been registered. **Section 6** sets forth certain requirements for a person to register a kratom product with the Board.

Section 7 of this bill authorizes the Board to adopt certain regulations to carry out the provisions of this bill, which may impose certain additional requirements relating to kratom products. **Section 8** of this bill creates a civil cause of action for a person injured by any violation of this bill.

Sections 3 and 4 of this bill define certain other words and terms for the purposes of this bill.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- **Section 1.** Chapter 597 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 to 8, inclusive, of this act.
- Sec. 2. As used in NRS 597.998 and sections 2 to 8, inclusive, of this act, unless the context otherwise requires, the words and terms defined in sections 3, 4 and 5 of this act have the meanings ascribed to them in those sections.
 - Sec. 3. "Board" means the State Board of Oriental Medicine.
 - Sec. 4. "Food" means any food, drink, confection or beverage, or any component in the preparation or manufacture thereof, intended for ultimate human consumption.
- Sec. 5. "Kratom product" means food containing any part of the leaf of the Mitragyna Speciosa plant.
 - Sec. 6. 1. A person shall not knowingly prepare, distribute, advertise, sell or offer to sell a kratom product unless the kratom product has been registered with the Board pursuant to this section.
 - 2. A person who wishes to register a kratom product must submit to the Board:





- (a) An application on a form prescribed by the Board;
- (b) A fee in an amount established by the Board by regulation; and
- (c) Any information and documentation that the Board deems necessary to ensure that the kratom product meets the requirements of NRS 597.998 and sections 2 to 8, inclusive, of this act and the regulations adopted pursuant thereto.

3. A person who violates subsection 1 is subject to an administrative fine, imposed by the Board, in an amount established by the Board by regulation.

- 4. The Board may, in accordance with procedures adopted by the Board by regulation, seize and destroy any kratom product offered for sale which has not been registered with the Board pursuant to this section.
- 5. The Board shall adopt regulations governing the registration of kratom products. Such regulations must, without limitation:
- (a) Prescribe the form and any additional required content for an application to register a kratom product;

(b) Establish the amount of the fee for the registration of a kratom product:

- (c) Establish the amount of the administrative fine that the Board may impose for a violation of this section;
- (d) Establish procedures for the seizure and destruction of a kratom product offered for sale which has not been registered with the Board; and
- (e) Address such other matters concerning the registration of kratom products as the Board determines to be necessary.
- Sec. 7. The Board may adopt regulations as it determines to be necessary or advisable to carry out the provisions of NRS 597.998 and sections 2 to 8, inclusive of this act. Such regulations may include, without limitation:
- 1. Requirements for the testing of kratom products to ensure that such products meet the requirements set forth in NRS 597.998 and sections 2 to 8, inclusive, of this act and are safe for human consumption;
- 2. Additional requirements for the labeling of kratom products; and
- 3. Any other matters the Board deems to be appropriate for the safe preparation, distribution and sale of kratom products.
- Sec. 8. In addition to any other remedy, a person aggrieved by a violation of NRS 597.998 and sections 2 to 8, inclusive, of this act may bring a civil action in a court of competent jurisdiction against the person who committed the violation to recover





damages including, without limitation, economic damages, noneconomic damages and consequential damages.

- **Sec. 9.** NRS 597.998 is hereby amended to read as follows:
- 597.998 1. A person shall not knowingly sell or offer to sell any material, compound, mixture or preparation containing a kratom product to a child under the age of 18 years.
- 2. A person shall not knowingly prepare, distribute, advertise, sell or offer to sell a kratom product that **fisl**:
 - (a) Is combined or adulterated with [a]:
- (1) A controlled substance or a dangerous drug, as defined in chapter 454 of NRS; or
- (2) Any substance that affects the quality or strength of the kratom product to such a degree as to render the kratom product injurious to a consumer [-];
- (b) Contains a level of 7-hydroxymitragynine in the alkaloid fraction that is greater than 2 percent of the alkaloid composition of the kratom product;
- (c) Contains a synthetic alkaloid, including, without limitation, synthetic mitragynine, synthetic 7-hydroxymitragynine or any synthetically derived compound of the Mitragyna Speciosa plant; or
 - (d) Does not include a label that clearly sets forth:
 - (1) The ingredients of the kratom product;
- (2) The amount of mitragynine and 7-hydroxymitragynine contained in the kratom product; and
- (3) Directions for the safe and effective use of the kratom product.
- 3. A person has not violated the provisions of [this] subsection 2 if he or she can show by a preponderance of evidence that he or she relied in good faith upon the representations of a manufacturer, processor, packer or distributor of the kratom product.
- [3. A person shall not sell a kratom product that does not have a label that clearly sets forth the ingredients and directions for the safe and effective use of the kratom product.]
- 4. A person who violates any provision of this section is [subject to a civil penalty] guilty of [not more than \$1,000 for each violation.
- 5. As used in this section, "kratom product" means any product or ingredient containing:
- 40 (a) Any part of the leaf of the Mitragyna Speciosa plant if the 41 plant contains the alkaloid mitragynine or 7 hydroxymitragynine; or
- 42 (b) A synthetic material that contains the alkaloid mitragynine 43 or 7 hydroxymitragynine.
 - regardless of whether the product or ingredient is labeled or sold for human consumption.] a misdemeanor for each violation.





Sec. 10. 1. This section becomes effective upon passage and 1 2 approval.

2. Sections 1 to 9, inclusive, of this act become effective:

- (a) Upon passage and approval for the purpose of adopting any regulations and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and (b) On January 1, 2024, for all other purposes.





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