

**Department of Planning and Budget**  
**2026 General Assembly Session**  
**State Fiscal Impact Statement**

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**ORIGINAL**

**Bill Number:** HB360

**Patron:** Cole, J.G.

**Bill Title:** Production and sale of agricultural products; plants and plant products inspection; kratom products sold by retail establishments; civil penalties.

**Bill Summary:** Provides that no retail establishment shall sell or offer for sale any kratom product, defined in the bill, to a person younger than 21 years of age. The bill requires retail establishments to provide ingredient and warning labeling for such products and store such products in an area that is not directly accessible to consumers. The bill provides that any violation is subject to a civil penalty of \$250 for a first violation and a civil penalty of \$500 for each subsequent violation within a three-year period.

**Budget Amendment Necessary:** No.

**Items Impacted:** N/A

**Explanation:** This bill involves the Virginia Department of Agriculture and Consumer Services (VDACS) and the Office of the Attorney General and the Department of Law (OAG); however, no budget action is required. See Fiscal Analysis section below.

**Fiscal Summary:** It is anticipated that this bill may result in an indeterminate expenditure impact to VDACS and OAG. Additionally, while VDACS is unable to estimate the number of establishments that may be subject to inspection under the provisions of this bill, VDACS estimates that it could be significant.

**Fiscal Analysis:** This impact statement is preliminary. It is anticipated that this bill may have a fiscal impact on VDACS. VDACS is unable to determine the number of establishments requiring inspection and unable to determine the number of violations that may occur.

The agency may need to hire additional general fund positions if the number of establishments selling kratom is significant. VDACS reports that, based on market trends, the department estimates that there are several thousand locations in the Commonwealth offering kratom products for sale; however, the agency does not have a mechanism to track retail establishments currently selling kratom products. Each location selling such products would require routine inspections to verify that they bear a compliant label and are sold in an area not directly accessible to customers. If a violation is found, VDACS would need to issue a civil penalty. Currently, VDACS has five areas which receive civil penalties (pesticides, weights and measures, veterinary services, hemp enforcement, and industrial hemp), the latter two of which have dedicated compliance and enforcement positions due to substantial revenues.

This bill establishes a new civil penalty up to \$250 for each first violation and \$500 for each subsequent violation within a three-year period. This bill would generate an indeterminate amount of revenue from civil penalties. Initial implementation phases may see a higher rate of penalties, but over time, as the industry becomes compliant with labeling and product placement requirements, it is anticipated that revenue generated from civil penalties could decrease.

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Additionally, VDACS anticipates incurring additional legal costs associated with managing enforcement cases as well as miscellaneous expenses, such as postage for sending certified letters. These ancillary costs are anticipated to total around \$50,000 annually.

Impact estimates from the OAG are unavailable.

This bill is not anticipated to have any effect on the Virginia Department of Health.

**Other:** None.