



- “Opioid” means opium, and opiate, or any salt, compound, derivative, or preparation thereof.
- “Wholesale opioid distributor” means any person who distributes opioids and is involved in the actual, constructive, or attempted transfer of opioids, other than the ultimate consumer. Includes wholesalers, repackagers, and manufacturers, but does NOT include common carriers or persons hired solely to transport prescription drugs.

**Section 2:**

Effective January 1, 2019, a tax shall be imposed upon all wholesale opioid distributors and mail order pharmacies at the rate of one dollar per dose distributed or dispensed to persons in Kentucky. The tax revenues shall be deposited in the permanent pension fund (established in **Section 5**). This tax shall not be passed on by a wholesale opioid distributor or a mail-order pharmacy to a subsequent purchaser.

**Section 3:**

Beginning January 1, 2019, a license will be required to distribute or dispense opioids to persons in Kentucky. An application and a \$500 license fee shall be filed annually before January 1. Any person who distributes or dispense opioids without a license shall be guilty of a Class A misdemeanor and shall be assessed a fine of no less than \$500. Each dose of opioid distributed shall constitute a violation. A revocation and an appeals process are provided for in the proposal.

**Section 4:**

Provides for the logistics of the filing and reviewing of the return, billing for underpayments, refunding overpayments, officer liability, and limited liability companies. Any person who fails to file or falsifies a required return or fails to pay the tax due shall be guilty of a Class A misdemeanor.

**Penalties related to section 3 and 4:**

A person convicted of a Class A misdemeanor may be incarcerated for up to twelve months. Misdemeanants are housed in one of Kentucky’s 76 full service jails or four life safety jails. While the expense of housing inmates varies by jail, this estimated impact will be based on \$31.34 per day, which equals the per diem and medical expenses that the Department of Corrections pays jails to house felony offenders. While the majority of misdemeanor defendants are granted bail, those who do not will also cost local jails an average of \$31.34 per day.

**Part III: Differences to Local Government Mandate Statement from Prior Versions**

The Part II section above pertains to the bill as introduced and there are not any prior introduced versions of the bill to complete the Part III section.

**Data Source(s):** Kentucky Department of Corrections

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