AN ACT

To amend and reenact R.S. 40:1046(C)(2)(introductory paragraph) and (H)(8)(a)(introductory paragraph), (i), (iii), and (b) and to enact R.S. 40:1046(C)(2)(m) and (H)(8)(c) and (d), relative to marijuana produced for therapeutic use; to provide for regulation by the Louisiana Department of Health of various aspects of production of marijuana for therapeutic use; to authorize the Louisiana Department of Health to charge and collect fees from contractors and other persons involved with therapeutic marijuana production; to authorize the department to charge and collect fees to fund expenses associated with regulation and control of therapeutic marijuana; to provide for remittance to the Louisiana Department of Revenue of the proceeds of certain fees; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 40:1046(C)(2)(introductory paragraph) and (H)(8)(a)(introductory paragraph), (i), (iii), and (b) are hereby amended and reenacted and R.S. 40:1046(C)(2)(m) and (H)(8)(c) and (d) are hereby enacted to read as follows:

§1046. Recommendation and dispensing of marijuana for therapeutic use; rules and regulations of the Louisiana State Board of Medical Examiners and Louisiana Board of Pharmacy; production facility licensing; by the
Department of Agriculture and Forestry permitting by the Louisiana Department of Health

C.

(2) The rules promulgated pursuant to this Subsection shall include but not be limited to:

(m) The establishment of a reasonable fee schedule for testing of therapeutic marijuana samples.

H.

(8)(a) The department Louisiana Department of Health shall perform the following:

(i) Establish and collect an annual license fee of one hundred thousand dollars from each contractor permitted to cultivate, extract, process, produce, and transport therapeutic marijuana and an annual permit fee of one hundred dollars for administrative and inspection costs.

(iii) Assess a fee of seven percent of the gross sales of therapeutic marijuana. The fee shall be reported and paid by the licensed production facility or permitted contractor that sells therapeutic marijuana to marijuana pharmacies. The fee shall be collected by the Department of Revenue and shall be subject to the provisions of Chapter 18 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950 as amended. Notwithstanding the provisions of Subparagraph (b) of this Paragraph, the Department of Revenue shall transfer monthly to the state treasury for deposit into the Community and Family Support System Fund, as established in R.S. 28:826, the amount of revenues collected in accordance with this Item. An amount...
shall be allocated to the department, pursuant to legislative appropriation, for regulatory, administrative, investigative, enforcement, legal, and other such expenses as may be necessary to carry out the provisions of this Chapter and for activities associated with the enforcement of law and regulations governing the therapeutic marijuana program.

(b) All fees collected by the department shall be used to fund the expenses relating to the regulation and control of prescribed marijuana for therapeutic use therapeutic marijuana.

(c) The department shall establish and collect the following nonrefundable charges to fund expenses associated with regulation and control of therapeutic marijuana:

(i) A charge of no more than ten thousand dollars for services related to the inspection of a therapeutic marijuana laboratory to be paid within fifteen days of the applicant's actual receipt of a board-approved, initial laboratory license application.

(ii) A charge of no more than ten thousand dollars for services related to a subsequent inspection of a therapeutic marijuana laboratory within one hundred eighty days of the laboratory commencing operations.

(iii) A charge of no more than ten thousand dollars for services related to at least one annual renewal inspection to be paid within fifteen days of a licensee's actual receipt of a board-approved laboratory license renewal.

(d) Any notice required by this Subsection shall be sent via certified mail and electronic mail to the addresses of record provided by the applicant or licensee in its initial application or most current renewal application.

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Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.
The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 698 Engrossed 2022 Regular Session Magee

Abstract: Provides for fees and charges to be assessed in connection with regulation of production and testing of marijuana for therapeutic use.

Proposed law authorizes the state entity with responsibility for regulating the testing of marijuana for therapeutic use, known commonly as medical marijuana, to establish by rule a reasonable fee schedule for testing of medical marijuana samples.

Proposed law requires the La. Dept. of Health to collect the following nonrefundable charges relating to regulation and control of medical marijuana:

1. An annual license fee of $100,000 from each contractor permitted to cultivate, extract, process, produce, and transport medical marijuana.

2. A charge of no more than $10,000 for services related to the initial inspection of a therapeutic marijuana laboratory.

3. A charge of no more than $10,000 for services related to a subsequent inspection of a therapeutic marijuana laboratory.

4. A charge of no more than $10,000 for services related to at least one annual renewal inspection.

Proposed law provides that a licensed marijuana production facility or its contractor shall remit to the La. Dept. of Revenue the proceeds of the fee on gross sales of therapeutic marijuana established in present law (R.S. 40:1046(H)(8)(a)(iii)).

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 40:1046(C)(2)(intro. para.) and (H)(8)(a)(intro. para.), (i), (iii), and (b); Adds R.S. 40:1046(C)(2)(m) and (H)(8)(c) and (d))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Health and Welfare to the original bill:

1. Delete all references to the La. Board of Pharmacy appearing in connection with testing of medical marijuana in proposed law and replace them with references to the La. Dept. of Health.

2. Restore present law providing for an annual fee of $100,000 per license for production of medical marijuana (deleting proposed law decreasing the fee to $50,000).

3. Delete proposed law providing for an annual license charge of $50,000 to each contractor permitted to cultivate, extract, process, produce, and transport therapeutic marijuana.

CODING: Words in struck through type are deletions from existing law; words underscored are additions.
4. Provide that the licensed marijuana production facility or its contractor shall remit to the La. Dept. of Revenue the proceeds of the fee on gross sales of therapeutic marijuana established in present law.