

2025 Regular Session

HOUSE BILL NO. 627

BY REPRESENTATIVE NEWELL

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

HEALTH: Provides for the Louisiana Cannabis Pilot Program

1 AN ACT

2 To enact R.S. 40:1048, relative to the sale of marijuana; to provide for an adult use cannabis
3 pilot program; to authorize the sale of marijuana in certain circumstances; to
4 establish a procedure to obtain a permit to sell marijuana; to provide for fees; to
5 provide for testing; to provide for an effective date; to provide for a termination date;
6 to provide for definitions; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 40:1048 is hereby enacted to read as follows:

9 §1049. Adult-Use Cannabis Pilot Program Regulation and Enforcement Act

10 A.(1) This Section shall be known and may be cited as the "Adult-Use
11 Cannabis Pilot Program Regulation and Enforcement Act".

12 (2) In an effort to protect the public health, safety and welfare, it is the
13 purpose of this Section to establish a temporary pilot program designed to test and
14 evaluate the parameters of the implementation of a permanent adult-use cannabis
15 program in this state including all of the following:

16 (a) Testing the practicality of a potential permanent program in a real-world
17 environment to determine if it works as intended.

18 (b) Implementing a temporary pilot program on a smaller scale to help
19 identify potential challenges, limitations, or risks that could arise before a potential
20 permanent rollout.

1 (c) Providing the opportunity to gather real-time feedback and data to assess
2 the effectiveness of the temporary pilot program and potential permanent program,
3 as well as identifying any unintended consequences.

4 (d) Mitigating the risks and exposure by testing the waters on a smaller scale,
5 rather than committing to a potential permanent implementation that could prove
6 unsuccessful.

7 (e) Gathering, measuring, and analyzing the outcomes and results to
8 determine whether the temporary pilot program or potential permanent program
9 should be modified or abandoned.

10 B. As used in this Section, the following terms have the following meanings:

11 (1) "Adult-use cannabis" means the natural flowering tops, leaves, resins,
12 and extracts derived from plants of the genus Cannabis, including all parts of the
13 plant containing naturally occurring THC, cultivated and harvested directly from the
14 cannabis plant, excluding any cannabinoids or THC derived through synthetic
15 processes or chemically altered from hemp-derived compounds such as CBD or
16 other non-THC cannabinoids, that are legally sold to and consumed by adults who
17 do not participate in the therapeutic use of marijuana program authorized in
18 accordance with R.S. 40:1046 et seq.

19 (2) "Department" means the Louisiana Department of Health.

20 (3) "LMMTS" means the Louisiana Medical Marijuana Tracking System,
21 tracking marijuana from seed to delivery to an approved laboratory, to wholesale to
22 permitted retailers, to wholesale to another licensed cultivation facility, to delivery
23 to an authorized researcher, to sale to persons by permitted retailers, or to
24 destruction.

25 (4) "Pilot program" means the adult-use cannabis pilot program established
26 in accordance with this Section.

27 (5) "THC" means tetrahydrocannabinol, tetrahydrocannabinolic acid, and
28 any tetrahydrocannabinol derivative or precursor.

1 C.(1) The department is hereby authorized to exercise regulatory authority
2 over the cultivation, extraction, processing, production, transportation, and retail sale
3 of adult-use cannabis.

4 (2) For the health, safety, and welfare of the public, the public health sanitary
5 code rules promulgated by the department pursuant to R.S. 40:1046 et seq. for the
6 cultivation, extraction, processing, production, transportation, sale, and independent
7 laboratory testing of therapeutic marijuana shall be followed to implement the
8 provisions of this Section except for those rules unique and applicable only to
9 therapeutic marijuana, patients, debilitating conditions, clinicians, and
10 recommendations.

11 (3) Nothing in this Section shall be construed to prohibit the department
12 from adopting rules as otherwise provided for in the Administrative Procedure Act.

13 D.(1) The authority to sell adult-use cannabis shall be limited to the existing
14 retailer permit holder authorized, in accordance with R.S. 40:1046 et seq., to sell
15 therapeutic marijuana in each region corresponding to the sets of parishes
16 comprising, respectively, the administrative regions of the department as those
17 regions existed on August 1, 2022.

18 (2) No later than ninety days before the commencement of the pilot program,
19 each retail permit holder in a region authorized pursuant to R.S. 40:1046 et seq. shall
20 notify the department of its intent to participate in the pilot program and identify one
21 retail location in the region that will participate in the pilot program. The designated
22 retail location may serve qualified patients purchasing recommended marijuana for
23 therapeutic use and consumers of adult-use cannabis.

24 (3) If a retail permit holder in a region authorized pursuant to R.S. 40:1046
25 et seq. declines to participate in the pilot program, the department shall not authorize
26 that retail permit holder to participate in the pilot program for the duration of the
27 pilot program. A retail permit holder who declines to participate in the pilot program
28 may continue to serve qualified patients purchasing recommended marijuana for
29 therapeutic use in accordance with R.S. 40:1046 et seq.

1 (4) Pursuant to R.S. 40:1046 et seq., each retail permit holder has acquired
2 and maintains all software, hardware, and communications infrastructure necessary
3 to ensure connectivity to and implementation of the LMMTS. A retail permit holder
4 who sells adult-use cannabis pursuant to this Section shall comply with the reporting
5 requirements of the LMMTS, except for those functions of the LMMTS that are
6 unique and applicable only to therapeutic marijuana, patients, debilitating conditions,
7 clinicians and recommendations.

8 (5) No retail location participating in the pilot program shall sell adult-use
9 cannabis in accordance with the provisions of this Section to any person under
10 twenty-one years of age.

11 E.(1) The authority to cultivate, extract, process, produce, and transport
12 adult-use cannabis shall be limited to the licensees authorized in accordance with
13 R.S. 40:1046 et seq. to cultivate, extract, process, produce, and transport therapeutic
14 marijuana.

15 (2) No later than ninety days before the commencement of the pilot program,
16 the licensees authorized to cultivate, extract, process, produce, and transport
17 therapeutic marijuana pursuant to R.S. 40:1046 et seq. shall notify the department
18 of its intent to participate in the pilot program. The licensee may cultivate, extract,
19 process, produce, and transport adult-use cannabis in addition to cultivate, extract,
20 process, produce, and transport therapeutic marijuana.

21 (3) If a licensee authorized to cultivate, extract, process, produce, and
22 transport therapeutic marijuana under R.S. 40:1046 et seq. declines to participate in
23 the pilot program, the department shall not authorize that licensee to participate in
24 the pilot program permit for the duration of the pilot program. The licensee who
25 declines to participate in the pilot program is authorized to continue to cultivate,
26 extract, process, produce, and transport therapeutic marijuana pursuant to R.S.
27 40:1046 et seq.

28 (4) Pursuant to R.S. 40:1046 et seq., each licensee authorized to cultivate,
29 extract, process, produce, and transport therapeutic marijuana has acquired and

1 maintains all software, hardware, and communications infrastructure necessary to
2 ensure connectivity to and implementation of the LMMTS. Each licensee authorized
3 to participate in the pilot program to cultivate, extract, process, produce, and
4 transport adult-use cannabis pursuant to this Section shall comply with the reporting
5 requirements of the LMMTS.

6 F.(1) Analyzing, testing, and handling of adult-use cannabis shall be
7 conducted pursuant to R.S. 40:1046 et seq., and the rules promulgated by the
8 department for analyzing, testing, and handling therapeutic marijuana.

9 (2) Prior to analyzing, testing, or handling adult-use cannabis, an applicant
10 for an adult-use laboratory license shall submit an initial license application on a
11 form and in a manner prescribed by the department.

12 (3) Pursuant to R.S. 40:1046 et seq., each authorized laboratory has acquired
13 and maintains all software, hardware, and communications infrastructure necessary
14 to ensure connectivity to and implementation of the LMMTS. Each laboratory
15 authorized pursuant to this Section shall comply with the reporting requirements of
16 the LMMTS.

17 G.(1) The department shall issue initial pilot program permits on January 1,
18 2026. The department shall subsequently issue pilot program permits on July first
19 and permits shall be effective for a period of one year. Upon each annual renewal
20 period, a pilot program permit in force shall be renewed by the department for the
21 next succeeding period upon proper application for renewal and payment of an
22 annual pilot program permit renewal fee as required by law and the rules and
23 regulations of the department.

24 (2) The department shall assess an annual pilot program permit renewal fee
25 of five thousand dollars for each retail location, each cultivator, and each laboratory
26 participating in the pilot program.

27 H. State and local sales and use tax on the "retail sale" or "sale at retail"
28 involving adult-use cannabis authorized in accordance with the pilot program shall
29 apply to all transactions that take place on January 1, 2026, through July 1, 2029.

1 I. The provisions of R.S. 40:1046(H)(4)(c) shall be suspended and replaced
2 by this paragraph for the duration of the pilot program. For the duration of the pilot
3 program, the department shall assess a fee of three and one-half percent of the gross
4 wholesales of all marijuana, therapeutic and adult-use, distributed to a therapeutic
5 retail permit holder or pilot program permit holder. The fee shall be reported and
6 paid by the licensee participating in the pilot program authorized to cultivate, extract,
7 process, produce, and transport adult-use cannabis. If a licensee who is authorized
8 pursuant to R.S. 40:1046 et seq. to cultivate, extract, process, produce, and transport
9 therapeutic marijuana declines to participate in the pilot program, the licensee shall
10 continue to report and pay a fee of seven percent of the gross sales of therapeutic
11 marijuana to the Department of Revenue as provided in R.S. 40:1046(H)(4)(c). All
12 fees shall be collected by the Department of Revenue and shall be subject to the
13 provisions of Chapter 18 of Subtitle II of Title 47 of the Louisiana Revised Statutes
14 of 1950. The Department of Revenue shall transfer monthly to the state treasury for
15 deposit into the Disability Services Fund, as established in R.S. 28:826, the amount
16 of revenues collected in accordance with this Subsection.

17 J. Unless expressly provided for in this Section, the provisions of this
18 Section shall not be construed to in any way interfere with or replace any effort,
19 purpose, limitation, or program implemented pursuant to R.S. 40:1046, et seq.,
20 including the limitation on no more than a total of thirty retail locations authorized
21 pursuant to R.S. 40:1046 et seq., with a limit of twenty retail locations authorized to
22 sell recommended marijuana for therapeutic use pursuant to R.S. 40:1046 et seq., and
23 up to ten retail locations authorized to sell both recommended marijuana for
24 therapeutic use pursuant to R.S. 40:1046 et seq. and adult-use cannabis pursuant to
25 the pilot program, and the limitation on no more than a total of two licensees
26 authorized pursuant to R.S. 40:1046 et seq. to cultivate, extract, process, produce,
27 and transport marijuana.

28 K. Notwithstanding any local ordinance to the contrary, in any parish where
29 a therapeutic use marijuana retail location, cultivator, or laboratory is authorized in

1 accordance with R.S. 40:1046 et seq. and approved by the department to operate
2 consistent with the local zoning code, participation in the pilot program shall be
3 deemed a permissible continuation of existing lawful use under current zoning
4 classifications and shall not be considered a new or materially different use or
5 change of use under any local zoning code, regardless of whether such use is
6 explicitly addressed or silent in the applicable ordinance.

7 L. The pilot program shall commence January 1, 2026 and terminate July 1,
8 2029.

9 Section 2. R.S. 47:305.2(B)(11) is hereby amended and reenacted to read as follows:

10 §305.2. Exemption; medical

11 * * *

12 B. The following items shall be exempt from the sales and use tax imposed
13 by any taxing authority:

14 * * *

15 (11) The sale of marijuana recommended for therapeutic use by qualified
16 patients as defined in ~~R.S. 40:1046~~ R.S. 40:1046; however this exemption shall not
17 apply to any other "retail sale" or "sale at retail" of marijuana authorized by law.

DIGEST

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 627 Original

2025 Regular Session

Newell

Abstract: Authorizes the sale of marijuana without a recommendation and establishes an adult-use cannabis pilot program.

Proposed law provides that proposed law shall be known and may be cited as the "Adult-Use Cannabis Pilot Program Regulation and Enforcement Act".

Proposed law provides that in an effort to protect the public health, safety and welfare, it is the purpose of proposed law to establish a temporary pilot program designed to test and evaluate parameters of the implementation of a permanent adult-use cannabis program in this state including all of the following:

- (1) Testing the practicality of a potential permanent program in a real-world environment to determine if it works as intended.

- (2) Implementing a temporary pilot program on a smaller scale to help identify potential challenges, limitations, or risks that could arise before a potential permanent rollout.
- (3) Providing the opportunity to gather real-time feedback and data to assess the effectiveness of the temporary pilot program and potential permanent program, as well as identifying any unintended consequences.
- (4) Mitigating the risks and exposure by testing the waters on a smaller scale, rather than committing to a potential permanent implementation that could prove unsuccessful.
- (5) Gathering, measuring, and analyzing the outcomes and results to determine whether the temporary pilot program or potential permanent program should be modified or abandoned.

Proposed law defines "adult-use cannabis", "department", "LMMTS", "pilot program", and "THC".

Proposed law authorizes La. Dept. of Health (LDH) to exercise regulatory authority over the cultivation, extraction, processing, production, transportation, and retail sale of adult-use cannabis.

Proposed law provides that the authority to sell adult-use cannabis shall be limited to the existing retailer permit holder authorized, in accordance with present law (R.S. 40:1046 et seq.), to sell therapeutic marijuana in each region corresponding to the sets of parishes comprising, respectively, the administrative regions of LDH as those regions existed on Aug. 1, 2022.

Proposed law requires that, no later than 90 days before the commencement of the pilot program, each retail permit holder in a region to notify LDH of its intent to participate in the pilot program and identify one retail location in the region that will participate in the pilot program.

Proposed law provides that a retail location shall be authorized to serve qualified patients purchasing recommended marijuana for therapeutic use and consumers of adult-use cannabis.

Proposed law provides that if a retail permit holder in a region declines to participate in the pilot program, LDH shall not authorize that retail permit holder to participate in the pilot program for the duration of the pilot program. Proposed law allows a retail permit holder who declines to participate in the pilot program to still continue to serve qualified patients purchasing recommended marijuana for therapeutic use.

Proposed law requires LDH to issue initial pilot program permits on Jan. 1, 2026. Proposed law further requires LDH to subsequently issue pilot program permits on July 1st of each year.

Proposed law provides that the permits shall be effective for a period of one year.

Proposed law provides that, upon each annual renewal period, a pilot program permit in force shall be renewed by LDH for the next succeeding period.

Proposed law requires LDH to assess an annual pilot program permit renewal fee of \$5,000 for each retail location, each cultivator, and each laboratory participating in the pilot program.

Present law requires LDH to assess a 7% fee on the gross sales of therapeutic marijuana from the licensed cultivators of therapeutic marijuana.

Proposed law requires LDH, for the duration of the pilot program, to assess a 3.5% fee on the gross sales of therapeutic and adult-use marijuana from a licensed cultivator.

Proposed law provides that if a licensee who is authorized as provided in present law (R.S. 40:1046 et seq.) to cultivate therapeutic marijuana declines to participate in the pilot program, the licensee shall continue to report and pay a fee of 7% of the gross sales of therapeutic marijuana to the Dept. of Revenue.

Proposed law requires the fees provided for in proposed law to be collected by the Dept. of Revenue. Proposed law further requires the Dept. of Revenue to transfer the fees monthly to the state treasury to deposit into the Disability Services Fund.

Proposed law provides that the pilot program shall commence Jan. 1, 2026 and terminate on July 1, 2029.

Present law provides that the sale of medical marijuana shall be exempted from the sales and use tax.

Proposed law adds that the aforementioned exemption does not apply to any other retail sale or sale at retail of marijuana. Proposed law otherwise retain present law.

(Adds R.S. 40:1048)