

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 698** HLS 22RS 955

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 22, 2022	11:32 AM	Author: MAGEE
Dept./Agy.: LDH		Analyst: Shawn Hotstream
Subject: fees		

FEES/LICENSES/PERMITS EG INCREASE SG RV See Note Page 1 of 1
Provides for fees and charges to be assessed by the La. Department of Health and La. Board of Pharmacy in connection with regulation of marijuana for therapeutic use

Present law provides that the Louisiana Department of Agriculture and Forestry establish and collect annual license fees from licensed marijuana producers of \$100,000 for administration and inspection costs, and collect a non refundable application fee of \$10,000. Proposed law requires instead that the Louisiana Department of Health collect the annual license fee, and changes the fee to \$100,000 from each contractor permitted to cultivate, extract, process, produce, and transport therapeutic marijuana. Proposed law authorizes LDH to establish and collect a reasonable fee schedule for testing of therapeutic marijuana samples. Proposed law provides for a charge of no more than \$10,000 for services related to inspection of marijuana labs, a charge of up to \$10,000 for services related to at least one annual renewal inspections.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

The Department of Agriculture and Forestry (LDAF) will no longer incur administrative costs associated with marijuana producer licensing and inspections as a result of transferring such duties to LDH. However, this measure further provides for additional fees related to laboratory inspections, including \$10,000 for initial inspections, \$10,000 for re-inspections, and \$10,000 for annual inspections thereafter. To the extent the Board of Pharmacy charges lab inspection fees on the LDAF lab, costs will increase by \$20,000 initially, and \$10,000 annually in future years.

REVENUE EXPLANATION

This measure is anticipated to result in additional revenue collections to LDH from marijuana product testing and lab inspection fees. In addition, LDH will collect additional provider licensing fees and individual producer permit fees. The Department of Agriculture and Forestry will no longer collect provider licensing fees and individual permit fees that are currently being collected from marijuana contractors/producers. Although the responsibility of licensing is being transferred from the the LDAF to LDH under this measure, the net impact on state agency fee collections may increase overall as a result of fees generated from initial and annual lab inspections.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Interim Deputy Fiscal Officer