

SENATE COMMITTEE AMENDMENTS

2024 Regular Session

Amendments proposed by Senate Committee on Health and Welfare to Original Senate Bill No. 228 by Senator McMath

1 AMENDMENT NO. 1

2 On page 1, delete line 2 and insert "To amend and reenact R.S. 28:826(B)(1) and (2)(c) and
 3 (C)(1)(b) and R.S. 40:1046(H) and (L), 1046.2(A), the introductory paragraph of 1046.2(B),
 4 the introductory paragraph of 1046.2(B)(1), the introductory paragraph of 1046.2(B)(1)(a),
 5 1046.2(B)(1)(b) through (e), and (B)(2)(a), (C)(1), the introductory paragraph of
 6 1046.2(C)(2), and 1046.2(C)(2)(a) and (c), the introductory paragraph of 1046.2(D), the
 7 introductory paragraph of 1046.2(D)(1), and 1046.2(D)(2), (4), and (5), the introductory
 8 paragraph of 1046.2(E) and 1046.2(E)(1), the introductory paragraph of 1042.2(F),
 9 1046.2(F)(1), the introductory paragraph of 1046.2(F)(2), and 1046.2(F)(2)(b) and (3), (G),
 10 (H)(1) and (2) and the introductory paragraph of 1046.2(H)(3), and the introductory
 11 paragraph of 1046.2(I), the introductory paragraph of 1046.2(I)(1), and 1046.2(I)(1)(a) and
 12 (b), (2), and (3), and 1046.4(A)(1) and (3) and (C)(1) and (2) and to repeal R.S.
 13 28:826(B)(2)(d) and (C)(1)(c), relative"

14 AMENDMENT NO. 2

15 On page 1, line 4, after "licensing;" insert "to provide for the allocation of monies collected
 16 from the sale of therapeutic marijuana;"

17 AMENDMENT NO. 3

18 On page 1, delete lines 7 and 8 and insert the following:

19 "Section 1. R.S. 28:826(B)(1) and (2)(c) and (C)(1)(b) are hereby amended and
 20 reenacted and R.S. 28:826(B)(2)(d) and (C)(1)(c) are hereby repealed as follows:

21 §826. Disability Services Fund

22 * * *

23 B.(1) Notwithstanding any other provision of law to the contrary, after compliance
 24 with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative
 25 to the Bond Security and Redemption Fund, and after a sufficient amount is allocated from
 26 that fund to pay all of the obligations secured by the full faith and credit of the state which
 27 become due and payable within any fiscal year, the treasurer shall deposit into the fund an
 28 amount equal to the amount collected by the state attributable to the sale or lease of all or
 29 part of any movable and immovable property previously operated by the office for citizens
 30 with developmental disabilities within the Louisiana Department of Health, ~~the proceeds of~~
 31 ~~the fee assessed pursuant to the provisions of R.S. 40:1046(H)(8)(a), and the proceeds of the~~
 32 ~~taxes levied pursuant to R.S. 47:9105(A) and (B).~~

33 (2) * * *

34 * * *

35 ~~(c) The state treasurer shall deposit one-half of the monies attributable to the~~
 36 ~~proceeds of the fee assessed pursuant to the provisions of R.S. 40:1046(H)(8)(a) into a~~
 37 ~~separate account within the fund.~~

38 ~~(d) The state treasurer shall deposit one-half of the monies attributable to the~~
 39 ~~proceeds of the fee assessed pursuant to the provisions of R.S. 40:1046(H)(8)(a) and the~~
 40 ~~proceeds of the taxes levied pursuant to R.S. 47:9105(A) and (B) into a separate account~~
 41 ~~within the fund.~~

42 * * *

43 C.(1) The legislature shall appropriate monies from the separate accounts of the fund
 44 as follows:

45 * * *

46 ~~(b) The account containing the monies attributable to one-half of the proceeds of the~~
 47 ~~fee assessed pursuant to the provisions of R.S. 40:1046(H)(8)(a) shall be used solely to~~

1 provide funding for the Early Steps intervention program for infants and toddlers with
2 disabilities and their families as established in R.S. 28:461 et seq.

3 (e) The account containing the monies attributable to ~~one-half of the proceeds of the~~
4 ~~fee assessed pursuant to the provisions of R.S. 40:1046(H)(8)(a) and the proceeds of the~~
5 taxes levied pursuant to R.S. 47:9105(A) and (B) shall be used solely to support and enhance
6 developmental disabilities services within the Medicaid program or the office for citizens
7 with developmental disabilities, or its successor.

8 * * *

9 Section 2. R.S. 40:1046(H) and (L), 1046.2(A), the introductory paragraph of
10 1046.2(B), the introductory paragraph of 1046.2(B)(1), the introductory paragraph of
11 1046.2(B)(1)(a), 1046.2(B)(1)(b) through (e), and (B)(2)(a), (C)(1), the introductory
12 paragraph of 1046.2(C)(2), and 1046.2(C)(2)(a) and (c), the introductory paragraph of
13 1046.2(D), the introductory paragraph of 1046.2(D)(1), and 1046.2(D)(2), (4), and (5), the
14 introductory paragraph of 1046.2(E) and 1046.2(E)(1), the introductory paragraph of
15 1042.2(F) , 1046.2(F)(1), the introductory paragraph of 1046.2(F)(2), and 1046.2(F)(2)(b)
16 and (3), (G), (H)(1) and (2) and the introductory paragraph of 1046.2(H)(3), and the
17 introductory paragraph of 1046.2(I), the introductory paragraph of 1046.2(I)(1), and
18 1046.2(I)(1)(a) and (b), (2), and (3), and 1046.4(A)(1) and (3) and (C)(1) and (2) are hereby
19 amended and reenacted to read as follows:"

20 AMENDMENT NO. 4

21 On page 1, delete lines 13 through 17 and on page 2, delete line 1 through 27 and insert the
22 following:

23 "H.(1)(a) ~~The legislature hereby recognizes and declares that both the Louisiana State~~
24 ~~University Agricultural Center and the Southern University Agricultural Center timely~~
25 ~~exercised and asserted the intent of each university to be licensed to produce recommended~~
26 ~~marijuana for therapeutic use in this state in accordance with the provisions of Act No. 261~~
27 ~~of the 2015 Regular Session of the Legislature of Louisiana.~~

28 (b) ~~Each institution identified in Subparagraph (a) of this Paragraph, respectively,~~
29 ~~shall select and contract with only one contractor authorized to produce therapeutic~~
30 ~~marijuana in accordance with this Part. The selection process and contracting provided for~~
31 ~~in this Subparagraph shall be done in accordance with all applicable provisions of the~~
32 ~~Louisiana Procurement Code, R.S. 39:1551 et seq. Each contractor and the university with~~
33 ~~which it contracts shall execute an agreement for services. **The Louisiana Department of**~~
34 ~~**Health shall issue no more than two licenses to cultivate, extract, process, produce, and**~~
35 ~~**transport therapeutic marijuana in this state. Each license shall be issued on July first**~~
36 ~~**and shall be effective for a period of one year.**~~

37 (b) The licenses issued on July 1, 2024, shall be to the entities who held contracts
38 with the Louisiana State University Agricultural Center and the Southern University
39 Agricultural Center on January 1, 2024, pursuant to Act No. 261 of the 2015 Regular
40 Session of the Legislature.

41 (c) Upon each renewal period, a license in force shall be renewed by the
42 department for the next succeeding period upon proper application for renewal and
43 payment of license fees as required by law and the rules and regulations of the
44 department.

45 (d) Subject to the limitation of no more than two licenses to cultivate, extract,
46 process, produce, and transport therapeutic marijuana in this state, the department
47 shall select a new licensee through a competitive bid process in accordance with the
48 applicable provisions of the Louisiana Procurement Code, R.S. 39:1551 et seq., if any
49 of the following occur:

50 (i) After written notice from the department and failure of the licensee to cure
51 within thirty days following receipt of written notice, a licensee fails to comply with the
52 proper application for renewal and payment of license fees as required by law and the
53 rules and regulations of the department, and the license is revoked.

54 (ii) A license is voluntarily returned or remitted to the department prior to the
55 expiration of the licensure period.

56 (2) The Louisiana Department of Health shall issue all of the following annually:

1 (a) A nontransferable specialty license for the production of recommended marijuana
2 for therapeutic use, which the department shall issue only to the Louisiana State University
3 Agricultural Center and the Southern University Agricultural Center.

4 (b) A permit to cultivate, extract, process, produce, and transport therapeutic
5 marijuana, which the department shall issue only to the sole contractor selected by each
6 university in accordance with Paragraph (1) of this Subsection.

7 (c) The Louisiana State University Agricultural Center, the Southern University
8 Agricultural Center, and the University of Louisiana at Monroe may conduct research on
9 marijuana for therapeutic use.

10 (d) On or before February first annually, the Louisiana State University Agricultural
11 Center, the Southern University Agricultural Center, and the University of Louisiana at
12 Monroe shall each submit to the Senate and House committees on health and welfare a
13 report which includes data and outcomes of any research conducted pursuant to
14 Subparagraph (c) of this Paragraph. No such report shall include any proprietary
15 information, intellectual property, or private financial data.

16 (3) Repealed by Acts 2022, No. 491, §1, eff. August 1, 2022.

17 (4) Repealed by Acts 2022, No. 491, §1, eff. August 1, 2022.

18 (5) Repealed by Acts 2022, No. 491, §1, eff. August 1, 2022.

19 (6)(a) The Louisiana Department of Health shall collect all of the following
20 information from each licensee:

21 (i) The amount of gross marijuana produced by the licensee during each calendar
22 year.

23 (ii) The details of all production costs including but not limited to seed, fertilizer,
24 labor, advisory services, construction, and irrigation.

25 (iii) The details of any items or services for which the licensee subcontracted and the
26 costs of each subcontractor directly or indirectly working for the **contractor licensee**.

27 (iv) The amount of therapeutic chemicals produced resulting from the marijuana
28 grown pursuant to this Section.

29 (v) The amounts paid each year to the licensee related to the licensee's production
30 of therapeutic marijuana pursuant to this Section.

31 (vi) The amount of therapeutic marijuana distributed to each pharmacy licensed to
32 dispense therapeutic marijuana in this state during each calendar year.

33 (b) The Louisiana Department of Health shall provide the information collected as
34 required by this Paragraph for the previous calendar year in the form of a written report to
35 the legislature no later than February first of each year. The department shall also make a
36 copy of the report required by this Subparagraph available to the public on the internet.

37 (7)(3) No company that has made a contribution to a candidate in a Louisiana
38 election governed by the provisions of the Campaign Finance Disclosure Act within the five
39 years prior to bidding for the license, or is controlled wholly or in part by a person who made
40 such a contribution within the five years prior to the company bidding for the license, may
41 be eligible for the license.

42 (8)(a)(4) The Louisiana Department of Health **department** shall perform the
43 following:

44 (i)(a) Establish and collect an annual license fee of one hundred thousand dollars
45 from each **contractor licensee** permitted to cultivate, extract, process, produce, and transport
46 therapeutic marijuana.

47 (ii)(b) Collect a nonrefundable application fee of ten thousand dollars.

48 (iii)(c) Assess a fee of seven percent of the gross sales of therapeutic marijuana. The
49 fee shall be reported and paid by the licensed production facility or permitted contractor that
50 sells therapeutic marijuana to marijuana pharmacies **licensee**. The fee shall be collected by
51 the Department of Revenue and shall be subject to the provisions of Chapter 18 of Subtitle
52 II of Title 47 of the Louisiana Revised Statutes of 1950 as amended. **Notwithstanding the**
53 **provisions of Subparagraph (b) of this Paragraph, the The** Department of Revenue shall
54 transfer **any monies collected in accordance with this Item monthly** to the state treasury
55 deposit into the Disability Services Fund, as established in R.S. 28:826, the amount of
56 revenues collected in accordance with this Item. **on a monthly basis. The treasurer shall**
57 **allocated the monies as follows:**

58 **(i) One percent shall be allocated to the Louisiana State University Agricultural**
59 **Center.**

60 **(ii) One percent shall be allocated to the Southern University Agricultural**
61 **Center.**

(iii) Five percent shall be allocated to the Department of Public Safety and Corrections, office of state police.

~~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 therapeutic marijuana.~~

(5) The department shall promulgate rules and regulations as necessary to implement the provisions of this Subsection."

AMENDMENT NO. 5

On page 3, between lines 1 and 2, insert the following:

"* * *

§1046.2. ~~Contractors, selection;~~ **Licensees;** minimum standards

A. ~~The contractor selected by the licensed university through a competitive bid process~~ **licensee** to cultivate, extract, process, produce, and transport therapeutic marijuana shall be subject to oversight and inspections by the Louisiana Department of Health as provided in this Section.

B. Initial inspections of ~~contractor~~ facilities shall be conducted in accordance with the following procedures and requirements:

(1) Prior to commencement of operations, the Louisiana Department of Health shall conduct an initial inspection of the ~~contractor's~~ facility, limited strictly to a determination of the following:

(a) That the ~~contractor~~ facility adheres to all of the following:

* * *

(b) That the ~~contractor~~ **licensee** possesses and maintains accurate, detailed plans and elevation drawings of all operational areas involved with the cultivation, extraction, processing, and production of therapeutic marijuana.

(c) That the ~~contractor~~ **licensee** possesses and maintains a written operations plan, which shall be limited to standard operating procedures for the cultivation of marijuana in each facility production area, instructions for making each product produced on the premises, equipment operations manuals, procedures for conducting necessary safety checks, sanitization procedures for working surfaces and equipment, quality control procedures, and emergency preparedness procedures.

(d) That the ~~contractor~~ **licensee** has connection and access to the Louisiana Medical Marijuana Tracking System, **hereafter referred to in this Section as LMMTS.**

(e) That the ~~contractor~~ **licensee** has security against unauthorized entry via the presence of operational alarm and video surveillance systems, limited access areas, secure locking systems, and door controls throughout the facility.

* * *

(2)(a) Notwithstanding Paragraph (1) of this Subsection, nothing in this Section shall be construed to obstruct or impede the lawful activity of any licensee ~~or permittee.~~

* * *

C.(1) Inspections of ~~contractor~~ facilities other than initial inspections shall be conducted in accordance with the procedures and requirements provided in Paragraph (2) of this Subsection.

(2) After a ~~contractor~~ **licensee** commences producing therapeutic marijuana in an approved facility, the Louisiana Department of Health shall inspect each ~~contractor~~ facility at least twice annually to verify the existence or accuracy of the following:

(a) Possession and accuracy of detailed plans and elevation drawings of all operational areas involved with the cultivation, extraction, processing, and production of ~~medical~~ **therapeutic** marijuana.

* * *

(c) Connection and accessibility to the ~~Louisiana Medical Marijuana Tracking System~~ **LMMTS.**

* * *

D. All of the following standards and requirements for security shall apply with respect to ~~contractor~~ facilities:

1 (1) Any **contractor** facility alarm or surveillance system shall include the following:

2 * * *

3 (2) Each **contractor** facility shall maintain on-site security personnel, at a minimum,
4 during standard United States business hours of eight o'clock a.m. to five o'clock p.m. and
5 shall maintain off-site, electronic security monitoring at all other times.

6 * * *

7 (4) Each **contractor licensee** shall limit access to and post limited-access signage
8 where marijuana is cultivated, extracted, processed, produced, or stored. Limited access
9 areas shall remain locked and accessible only by authorized personnel.

10 (5) Each employee, supervisor, or agent of each **contractor licensee** shall keep a
11 current identification card, in a form approved by the department, on his person when
12 present at a **contractor** facility.

13 E. All of the following procedures, restrictions, and authorizations shall apply
14 relative to visitors at **contractor** facilities:

15 (1) Persons who do not possess a **contractor licensee** identification card shall be
16 issued a visitor identification badge after signing a log maintained by the **contractor licensee**
17 that properly identifies the visitor to the premises. The visitor shall wear the badge for the
18 duration of his time on the premises, and the visitor shall not be left unaccompanied in any
19 area where marijuana or marijuana products are present.

20 * * *

21 F. All of the following requirements shall apply with respect to data management by
22 **contractors licensees**:

23 (1) Each **contractor licensee** shall acquire and maintain all software, hardware, and
24 communications infrastructure necessary to ensure connectivity to and implementation of
25 the ~~Louisiana Medical Marijuana Tracking System, referred to hereafter in this Subsection~~
26 ~~as the~~ LMMTS, to track therapeutic marijuana from seed to distribution to an approved
27 laboratory, to licensed pharmacies, to another cultivation **contractor licensee** or to
28 destruction, tagging each plant and product with a unique identification number, and entering
29 the number into the LMMTS for tracking. The **contractor licensee** shall bear the cost of all
30 expenses related to tracking, tagging, and implementation of the LMMTS.

31 (2) Within twenty-four hours of the respective qualifying event, the **contractor**
32 **licensee** shall record the following in the LMMTS:

33 * * *

34 (b) The sale, transfer, or transport of therapeutic marijuana or its derivatives to
35 another **contractor licensee**, approved laboratory, or therapeutic marijuana pharmacy.

36 * * *

37 (3) Notwithstanding any other provision of this Section, each **contractor licensee**
38 shall keep all documents and information required by this Part for at least the current year
39 and the three preceding calendar years, including but not limited to business records
40 necessary to fully account for each business transaction conducted by the **contractor**
41 **licensee**.

42 G. All of the following standards and requirements shall apply to **contractors' the**
43 **licensees'** inventory:

44 (1) Each **contractor licensee** shall maintain a comprehensive inventory of all
45 marijuana, including without limitation usable marijuana available for dispensing, mature
46 marijuana plants, and seedlings at each authorized location. Following an initial inventory,
47 all marijuana shall be inventoried on a weekly basis.

48 (2) Any therapeutic marijuana waste product shall be properly weighed and recorded
49 in the ~~Louisiana Medical Marijuana Tracking System~~ **LMMTS** and stored in a limited
50 access area of a **contractor** facility until rendered unusable.

51 H. Material safety data sheet requirements shall include all of the following:

52 (1) Any pesticides or chemicals used by a **contractor licensee** in the production of
53 therapeutic marijuana shall be used and stored according to the **contractor's licensee's**
54 written operations plan.

55 (2) Each **contractor licensee** shall maintain a material safety data sheet in each
56 facility area where toxic cleaning compounds, sanitizing agents, solvents used in the
57 production of therapeutic marijuana extracts and concentrates, pesticide chemicals, or other
58 agricultural chemicals are used or stored.

59 (3) Each **contractor licensee** shall record the following information when applying
60 a pesticide or other agricultural chemical to therapeutic marijuana at any cultivation stage:

61 * * *

1 I. All of the following requirements shall apply to transportation of therapeutic
2 marijuana by ~~contractors~~ **licensees**:

3 (1) Prior to transporting therapeutic marijuana, a **contractor licensee** shall generate
4 an inventory manifest in ~~the Louisiana Medical Marijuana Tracking System, referred to~~
5 ~~hereafter in this Subsection~~ as the LMMTS, including all of the following information:

6 (a) The name of the **contractor licensee** originating the transport.

7 (b) The name of the **contractor licensee**, approved laboratory, or licensed pharmacy
8 receiving the transport.

9 * * *

10 (2) The **contractor licensee** originating the transport shall provide the contractor,
11 approved laboratory, or licensed pharmacy receiving the transport with a copy of the
12 LMMTS inventory manifest, which shall not be altered after departing the originating
13 **contractor's licensee's** facility.

14 (3) The **contractor licensee**, approved laboratory, or licensed pharmacy receiving the
15 transport shall record the quantities of all therapeutic marijuana products in the LMMTS.
16 However, any **contractor licensee**, approved laboratory, or licensed pharmacy receiving a
17 therapeutic marijuana transport shall refuse the transport if it is not accompanied by an
18 unaltered LMMTS inventory manifest.

19 * * *

20 §1046.4. Testing; sample collection; minimum standards; reporting; remediation

21 A.(1) Each **contractor-permitted licensee authorized** to cultivate, extract, process,
22 produce, and transport therapeutic marijuana pursuant to this Part shall comply with
23 approved minimum standards by making each batch of therapeutic marijuana subject to
24 random selection, sampling, and analysis conducted by an independent approved laboratory
25 collector in a volume sufficient to ensure compliance.

26 * * *

27 (3) The laboratory shall record test results in the Louisiana Medical Marijuana
28 Tracking System and produce a certificate of analysis to be delivered to the Louisiana
29 Department of Health and **contractor licensee** permitted to cultivate, extract, process,
30 produce, and transport therapeutic marijuana within twenty-four hours of test completion.

31 * * *

32 C.(1) Neither a **contractor licensee** nor an approved laboratory authorized pursuant
33 to this Part shall release or approve a therapeutic marijuana product for delivery or sale until
34 a sample from the applicable product batch has complied with all required testing standards.

35 (2) A **contractor licensee** may resubmit to an approved laboratory any sample that
36 fails one or more initial tests required by this Part. The sample may be released for delivery
37 and sale only if it passes all tests conducted by an approved laboratory in duplicate. The
38 sample may be remediated according to any reasonably acceptable industry methods if it
39 fails one or more tests conducted by an approved laboratory.

40 * * *

41 Section 3. The existing agreements between the Louisiana State University
42 Agricultural Center and Southern University Agricultural Center and the contractors selected
43 to cultivate, extract, process, produce, and transport therapeutic marijuana shall terminate
44 on July 1, 2024."

45 AMENDMENT NO. 6

46 On page 3, at the beginning of line 2, change "Section 2." to "Section 4."