

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 228** SLS 24RS 418

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action: **w/ HSE FLOOR AMD**

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 14, 2024	3:32 PM	<b>Author:</b> MCMATH
<b>Dept./Agy.:</b> Higher Education & Health		<b>Analyst:</b> Chris Henry
<b>Subject:</b> Therapeutic Marijuana Regulations		

PHARMACEUTICALS

REF SEE FISC NOTE SD RV

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Provides relative to marijuana for therapeutic use. (gov sig)

Proposed legislation extends the sunset on regulations pertaining to the therapeutic use of marijuana found in R.S. 40:1046 for an additional 5 years and 6 months, from January 1, 2025 to July 1, 2030. In addition, gives authority to the LA Department of Health to issue two licenses to cultivate, extract, process, and produce therapeutic marijuana and removes this responsibility from the LSU Agricultural Center and Southern University Agricultural Center. Changes the time frame included in the qualified patient count conducted and reviewed by the Louisiana Board of Pharmacy from a period over the the preceding three months to the preceding twenty four months.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	<b>SEE BELOW</b>	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

The proposed legislation will extend provisions in current law related to therapeutic marijuana regulations for an additional 5 years and 6 months. The Louisiana Department of Health (LDH) reports a \$600 implementation cost in FY 25 to create and issue new license documents for the two licensed contractors. This amount is estimated to lower to \$100 for the ensuing fiscal years totaling \$1000 over the next five fiscal years. The department should be able to absorb these costs within its existing budget using SGR from the annual \$100,000 license fees or from its operational SGF.

**REVENUE EXPLANATION**

The extension of the sunset provisions will allow revenue collections established in present law to continue to the new sunset at the end of FY 29. Under present law, LDH assesses a \$100,000 license fee on contractors permitted for medical marijuana production along with a \$10,000 application fee. Also, in current law, the Department of Revenue will continue to collect the 7% fee on gross sales of therapeutic marijuana by the permitted contractors. Retains the dedication of this fee in current law which deposits all of the proceeds into the Disability Services Fund where they are divided, with half going to the Early Steps program and half to the enhance developmental disabilities services. For context, in FY 23, the 7% fee generated a total of \$2,309,603.

The proposed law removes the university agricultural centers from the licensing process. It is not clear whether the existing contracts would be able to continue without the licenses or if any existing contractual obligations owed to the university agricultural centers by the producers would continue once the licenses are no longer under the jurisdiction of the agricultural centers. According to the contract with the LSU Ag Center, the amounts owed could be as much as \$1.5 M in 2025, \$1.5 M in 2026, and \$2 M in 2027. Similarly, the SU contract amounts would be \$1 M across fiscal years with an additional \$1 M signing bonus on January 1, 2025 if the contract is renewed.

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}

**Patrice Thomas**  
**Deputy Fiscal Officer**