

2021 Regular Session

HOUSE BILL NO. 637

BY REPRESENTATIVE NEWELL

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

DRUGS: Provides relative to the regulation of cannabis

1 AN ACT

2 To enact Chapter 32 of Title 3 of the Louisiana Revised Statutes of 1950, to be comprised

3 of R.S. 3:4761 through 4771, and Chapter 9 of Title 26 of the Louisiana Revised

4 Statutes of 1950, to be comprised of R.S. 26:941 through 949, relative to cannabis;

5 to provide for definitions; to provide relative to the cultivation, processing, and

6 manufacturing of cannabis and cannabis products; to provide for licensing; to

7 provide for the authority of the Department of Agriculture and Forestry; to provide

8 for criminal history checks and suitability requirements; to provide for application

9 and license fees; to provide for transportation restrictions; to provide for civil

10 penalties; to provide relative to the retail sale of cannabis and cannabis products; to

11 provide for retailer permits and fees; to provide for age restrictions regarding the

12 purchase of cannabis and cannabis products; to provide for other restrictions; to

13 provide relative to the suspension or revocation of permits; to provide for a program

14 of social equity in the industry; and to provide for related matters.

15 Be it enacted by the Legislature of Louisiana:

16 Section 1. Chapter 32 of Title 3 of the Louisiana Revised Statutes of 1950,

17 comprised of R.S. 3:4761 through 4771, is hereby enacted to read as follows:

18 CHAPTER 32. CANNABIS

19 §4761. Purpose

1 The Department of Agriculture and Forestry is hereby authorized to exercise
2 regulatory authority over the cultivation, processing, and manufacturing of cannabis
3 and cannabis products in Louisiana.

4 §4762. Social Equity in the Cannabis Industry

5 A. It shall be the intent of the Legislature of Louisiana that there shall be no
6 barriers to the entry, acceptance or approval of applications or licensure for
7 individuals and communities most adversely impacted by the enforcement of
8 marijuana laws. In the interest of establishing a legal cannabis industry that is
9 equitable and accessible to those most adversely impacted by the enforcement of
10 drug-related laws in this state, including cannabis related laws, the Legislature of
11 Louisiana finds and declares that a program of social equity should be established.

12 The Legislature of Louisiana also finds and declares that individuals who have been
13 arrested or incarcerated due to drug laws suffer long-lasting negative consequences,
14 including impacts to employment, business ownership, housing, health, and long-
15 term financial well-being. The Legislature of Louisiana declares that promotion of
16 business ownership by individuals who have resided in areas of high poverty and
17 high enforcement of cannabis-related laws furthers an equitable cannabis industry.
18 Therefore, in the interest of remedying the harms resulting from the disproportionate
19 enforcement of cannabis-related laws, the Legislature of Louisiana finds and declares
20 that a program of social equity should offer, among other things, financial assistance
21 and license application benefits to individuals most directly and adversely impacted
22 by the enforcement of cannabis-related law who are interested in starting cannabis
23 business establishments.

24 §4763. Definitions

25 As used in this Chapter, the following terms shall have the following
26 meanings:

27 (1) "Applicant" means a natural person, a corporation, limited liability
28 company, partnership, joint stock association, sole proprietorship, joint venture,
29 business association, cooperative association, professional corporation, or any other

1 legal entity or organization through which business is conducted who has applied to
2 the Department of Agriculture and Forestry for a license to produce cannabis and
3 cannabis products.

4 (2) "Bureau" means the Louisiana Bureau of Criminal Identification and
5 Information of the Department of Public Safety and Corrections, office of state
6 police.

7 (3) "Cannabis" means all parts of plants of the genus Cannabis, whether
8 growing or not; the seeds thereof; the resin extracted from any part of such plant, and
9 every compound, manufacture, salt, derivative, mixture, or preparation of such plant,
10 its seeds or resin, but shall not include the mature stalks of such plant, fiber produced
11 from such stalks, oil or cake made from the seeds of such plant, any other compound,
12 manufacture, salt, derivative, mixture, or preparation of such mature stalks (except
13 the resin extracted therefrom), fiber, oil, or cake or the sterilized seed of such plant
14 which is incapable of germination.

15 (4) "Cannabis-infused products" means products that contain cannabis or
16 cannabis extracts, are intended for human use, and are derived from cannabis as
17 defined in this Section. The term "cannabis-infused products" shall not include
18 either useable cannabis or cannabis concentrates.

19 (5) "Cannabis products" means useable cannabis and cannabis-infused
20 products as defined in this Section.

21 (6) "Commissioner" means the commissioner of the Department of
22 Agriculture and Forestry.

23 (7) "Criminal history record information" means information collected by
24 state and federal criminal justice agencies on individuals consisting of identifiable
25 descriptions and notations of arrests, detentions, indictments, bills of information,
26 or any formal criminal charges, and any disposition arising therefrom, including
27 sentencing, criminal correctional supervision, and release. It shall not include
28 intelligence information gathered for investigatory purposes or any identification

1 information which does not indicate involvement of the individual in the criminal
2 justice system.

3 (8) "Cultivate" or "cultivating" means planting, growing, and harvesting
4 cannabis.

5 (9) "Department" means the Department of Agriculture and Forestry.

6 (10) "FBI" means the Federal Bureau of Investigation of the United States
7 Department of Justice.

8 (11) "Housing unit" means a house, apartment, or mobile home, or a group
9 of rooms or a single room that is occupied as separate living quarters, in which the
10 occupants live and eat separately from any other persons in the building and that has
11 direct access from the outside of the building or through a common hall.

12 (12) "Licensee" means a natural person, a corporation, limited liability
13 company, partnership, joint stock association, sole proprietorship, joint venture,
14 business association, cooperative association, professional corporation, or any other
15 legal entity or organization through which business is conducted who has been issued
16 a license by the Department of Agriculture and Forestry to produce cannabis and
17 cannabis products.

18 (13) "Licensure" means any license or permit that the department is
19 authorized to issue for the production of cannabis and cannabis products and the
20 facility producing cannabis and cannabis products.

21 (14) "Production facility" means a facility operating pursuant to a license
22 issued by Department of Agriculture and Forestry to cultivate and process cannabis,
23 manufacture cannabis products, package and label cannabis products, and sell
24 cannabis to licensed retailers. A production facility shall not sell cannabis directly
25 to consumers.

26 (15) "Retailer" means an entity licensed by the office of alcohol and tobacco
27 control pursuant to R.S. 26:943 to purchase cannabis products from licensed
28 production facilities and sell cannabis products to a consumer.

1 (16) "Useable cannabis" means the dried leaves and flowers of the cannabis
2 plant, and any mixture or preparation thereof, but shall not include the seeds, stalks,
3 and roots of the plant.

4 §4764. General requirements; prohibitions; testing; tracking

5 A. No person or entity shall cultivate, process, and manufacture cannabis or
6 cannabis products without a license issued by the department pursuant to this
7 Chapter.

8 B. The department shall test the cannabis products in a facility approved by
9 the department prior to the products being transported from a production facility to
10 a licensed retailer.

11 C. The department shall establish a seed-to-sale tracking system that tracks
12 the cannabis from either the seed or immature plant stage until the product is sold to
13 a consumer by a licensed retailer.

14 §4765. Powers and duties of the commissioner

15 A. In addition to the powers, duties, and responsibilities otherwise vested in
16 the commissioner by law, the commissioner shall:

17 (1) Adopt rules and regulations as are necessary to implement the provisions
18 of this Chapter. The rules and regulations shall include but not be limited to:

19 (a) Criteria for licensure and procedures for the issuance, renewal,
20 suspension, and revocation of licenses.

21 (b) Application, license, and testing fees.

22 (c) Security requirements for cultivation and product manufacturing
23 facilities.

24 (d) Labeling and packaging requirements, including requirements for child
25 resistant packaging, health and safety warnings, potency, and activation time.

26 (e) Health and safety regulations and standards for the cultivation of
27 cannabis and the manufacturing of cannabis products, including pesticide use and
28 allowable extraction methods.

1 (2) Collect, administer, and disburse the proceeds of all fees, interest,
2 penalties, and other monies collected pursuant to this Chapter.

3 (3) Administer and enforce the provisions of this Chapter and the rules and
4 regulations adopted pursuant to this Chapter.

5 (4) Develop sampling and testing procedures to ensure safety and verify the
6 potency of cannabis cultivated and cannabis products manufactured pursuant to this
7 Chapter.

8 (5) Enter facilities for the purpose of conducting inspections, collecting
9 samples, testing, and examining and copying records.

10 (6) Hold hearings on alleged violations of the provisions of this Chapter or
11 of the rules and regulations adopted pursuant to this Chapter.

12 (7) Impose civil penalties for violations of the orders issued pursuant to the
13 provisions of this Chapter or of the rules and regulations adopted pursuant to this
14 Chapter.

15 (8) Seek and obtain injunctive or other civil relief to restrain and prevent
16 violations of this Chapter, rules and regulations adopted pursuant to this Chapter, or
17 orders and rulings issued pursuant to this Chapter.

18 (9) Institute civil proceedings to enforce his orders or rulings, collect any
19 fees, fines, penalties, or costs due under this Chapter or to otherwise enforce the
20 provisions of this Chapter or rules and regulations adopted pursuant to this Chapter.

21 (10) Appoint and employ all personnel necessary for the efficient and proper
22 administration of this Chapter.

23 §4766. Licensure requirements; authorization to obtain criminal history record
24 information

25 A.(1) The Department of Agriculture and Forestry shall develop an annual,
26 nontransferable production facility license for the cultivation, processing, and
27 manufacturing of cannabis and cannabis products.

28 (a) The department shall limit the number of such licenses granted in the
29 state to no more than ten licenses. Once the maximum number of licenses have been

1 issued, the department shall only issue new licenses after a current license is either
2 revoked or not renewed or with legislative approval.

3 (b) The department shall develop rules in accordance with the
4 Administrative Procedure Act to ensure the number of production facilities are
5 equally distributed geographically throughout the state. The department shall use,
6 at a minimum, the following criteria to develop such rules for issuing licenses:

7 (i) Population distribution of the state.

8 (ii) Preference to applicants residing in an area with a disproportionately
9 high number of nonviolent marijuana drug arrests and convictions.

10 (iii) Applicants who have resided in this state or owned the property on
11 which the production facility will be located for at least five years prior to the
12 effective date of this Chapter. For the purposes of this Item, "owned" shall mean
13 having a stake of at least fifty-one percent ownership in the property.

14 (c) No production facility shall be located in a "drug free zone" as defined
15 in R.S. 17:405(A).

16 (2) Any license awarded pursuant to this Section shall not exceed five years.

17 B. As a condition of eligibility, the department shall require an applicant to
18 do the following:

19 (1) Submit a full set of fingerprints, in a form and manner prescribed by the
20 department.

21 (2) Permit the department to request and obtain state and national criminal
22 history record information on the applicant.

23 C. Prior to entering into any contract, memorandum of understanding, or
24 cooperative endeavor agreement with a licensee, a subcontractor shall also comply
25 with the provisions contained in Subsection B of this Section in order to receive
26 contract approval from the department.

27 D. In accordance with the provisions and procedure prescribed by this
28 Section, the department shall request and obtain state and national criminal history
29 record information from the bureau and the FBI relative to any applicant for

1 licensure whose fingerprints the department has obtained pursuant to this Section for
2 the purpose of determining the applicant's suitability and eligibility for licensure.

3 E. Upon request by the department and upon submission of an applicant's
4 fingerprints, and such other identifying information as may be required, the bureau
5 shall survey its criminal history records and identification files and make a
6 simultaneous request of the FBI for similar or related information from other
7 jurisdictions. The bureau may charge the department a reasonable processing fee for
8 conducting and reporting on any such search.

9 §4767. Suitability requirements

10 A. The department shall not grant any license or issue any other contract
11 approval pursuant to the provisions of this Chapter if the applicant or subcontractor
12 or any officer, director, or any person having a five percent or more economic
13 interest in the entity seeking licensure or contract approval has been disqualified on
14 the basis of the following criteria:

15 (1) Has been convicted or entered a plea of guilty or nolo contendere for any
16 of the following:

17 (a) Theft or attempted theft, illegal possession of stolen things, or any
18 offense or attempt involving the misappropriation of property or funds.

19 (b) Any offense involving fraud or attempted fraud or false statements or
20 declarations.

21 (c) A crime of violence as defined in R.S. 14:2(B).

22 (d) Any offense involving schedule I narcotics, provided the offense was not
23 marijuana related.

24 (2) There is a current prosecution or pending charge against the person in
25 any jurisdiction for any offense listed in Paragraph (1) of this Subsection.

26 (3) The applicant or any person required to be suitable pursuant to this
27 Section fails to provide information and documentation to reveal any fact material
28 to a suitability determination or supplies information which is untrue or misleading
29 as to a material fact pertaining to the suitability criteria.

1 B. No person shall obtain a license pursuant to this Section if the applicant,
2 subcontractor, or any of the service providers in the chain of subcontractors, is
3 owned wholly or in part by any state employee or member of a state employee's
4 immediate family, including but not limited to any legislator, statewide public
5 official, university or community or technical college employee, Louisiana State
6 University Agricultural Center employee, or Southern University Agricultural Center
7 employee. For the purposes of this Paragraph, "immediate family" has the same
8 meaning as provided in R.S. 42:1102.

9 C. No person licensed pursuant to this Section shall give or receive anything
10 of value in connection with any contract, memorandum of understanding, or
11 cooperative endeavor agreement executed pursuant to this Section except the value
12 that is expressed in the contract, memorandum of understanding, or cooperative
13 endeavor agreement.

14 D. Any contract, memorandum of understanding, or cooperative endeavor
15 agreement entered into with any licensee or subcontractor pursuant to this Section
16 shall be a public record subject to disclosure pursuant to the Public Records Law,
17 R.S. 44:1 et seq.

18 §4768. Fees; disposition of funds

19 A. The department shall establish an application fee to be paid by an
20 applicant.

21 (1) The application fee shall not exceed one thousand dollars.

22 (2) The application fee shall be payable to the department upon submission
23 of the application, and prior to the department beginning any review and an applicant
24 submitting fingerprints.

25 B. The department shall establish a production facility license fee to be paid
26 by the licensee in accordance with the following:

27 (1) The initial license fee shall not exceed one hundred thousand dollars.

28 However, the department may reduce the amount of the fee only if the population
29 distribution is limited.

1 (2) The license fee shall be payable to the department upon issuance of the
2 license. The licensee shall pay a license renewal fee of fifty thousand dollars every
3 year thereafter.

4 B. All fees collected and retained by the department shall be used to fund the
5 expenses relating to the regulation and control of cannabis and cannabis products as
6 provided for in this Chapter. The department shall use a portion of the application
7 fee to cover the expenses associated with obtaining an applicant's fingerprints and
8 criminal history record information and shall not charge an applicant any fee beyond
9 the application fee for these expenses.

10 §4769. Transportation

11 A. A licensee shall only be allowed to transport cannabis or cannabis
12 products to the following locations:

13 (1) From its production facility to a testing facility approved by the
14 department pursuant to this Chapter.

15 (2) From its production facility to a licensed retailer.

16 (3) When a specific nonroutine transport request from the licensee is
17 approved in writing by the department.

18 B. Any licensee using an employee of the business or contracting with an
19 outside carrier for the purpose of this Section, shall first have the employee or
20 outside carrier approved by the department in accordance with the procedures for a
21 subcontractor under this Chapter.

22 §4770. Civil penalties

23 A. Any person who violates any provision of this Chapter, or any rule or
24 regulation adopted pursuant to this Chapter, shall be subject to a civil penalty of not
25 more than fifty thousand dollars for each act of violation and for each day of
26 violation. Each day on which a violation occurs shall constitute a separate offense.

27 B. Civil penalties may be assessed only by ruling of the commissioner based
28 upon an adjudicatory hearing held in accordance with the provisions of the
29 Administrative Procedure Act and this Chapter.

1 §4771. Therapeutic marijuana

2 Nothing in this Chapter shall be construed to limit any privileges or rights of
3 a medical marijuana patient or production facility as provided for in R.S. 40:966(F)
4 and 1046.

5 Section 2. Chapter 9 of Title 26 of the Louisiana Revised Statutes of 1950,
6 comprised of R.S. 26:941 through 949, is hereby enacted to read as follows:

7 CHAPTER 9. CANNABIS AND CANNABIS PRODUCTS

8 §941. Social Equity in the Marijuana Industry

9 A. It shall be the intent of the Legislature of Louisiana that there shall be no
10 barriers to the entry, acceptance or approval of applications or licensure for
11 individuals and communities most adversely impacted by the enforcement of
12 marijuana laws. In the interest of establishing a legal cannabis industry that is
13 equitable and accessible to those most adversely impacted by the enforcement of
14 drug-related laws in this state, including cannabis related laws, the Legislature of
15 Louisiana finds and declares that a program of social equity should be established.
16 The Legislature of Louisiana also finds and declares that individuals who have been
17 arrested or incarcerated due to drug laws suffer long-lasting negative consequences,
18 including impacts to employment, business ownership, housing, health, and long-
19 term financial well-being. The Legislature of Louisiana declares that promotion of
20 business ownership by individuals who have resided in areas of high poverty and
21 high enforcement of cannabis-related laws furthers an equitable cannabis industry.
22 Therefore, in the interest of remedying the harms resulting from the disproportionate
23 enforcement of cannabis-related laws, the Legislature of Louisiana finds and declares
24 that a program of social equity should offer, among other things, financial assistance
25 and license application benefits to individuals most directly and adversely impacted
26 by the enforcement of cannabis-related law who are interested in starting cannabis
27 business establishments.

28 §942. Definitions

1 (1) "Applicant" means a natural person, a corporation, limited liability
2 company, partnership, joint stock association, sole proprietorship, joint venture,
3 business association, cooperative association, professional corporation, or any other
4 legal entity or organization through which business is conducted who has applied to
5 the office of alcohol and tobacco control within the Department of Revenue for a
6 cannabis retailer permit.

7 (2) "Bureau" means the Louisiana Bureau of Criminal Identification and
8 Information of the Department of Public Safety and Corrections, office of state
9 police.

10 (3) "Cannabis" means all parts of plants of the genus Cannabis, whether
11 growing or not; the seeds thereof; the resin extracted from any part of such plant, and
12 every compound, manufacture, salt, derivative, mixture, or preparation of such plant,
13 its seeds or resin, but shall not include the mature stalks of such plant, fiber produced
14 from such stalks, oil or cake made from the seeds of such plant, any other compound,
15 manufacture, salt, derivative, mixture, or preparation of such mature stalks (except
16 the resin extracted therefrom), fiber, oil, or cake or the sterilized seed of such plant
17 which is incapable of germination.

18 (4) "Cannabis-infused products" means products that contain cannabis or
19 cannabis extracts, are intended for human use, and are derived from cannabis as
20 defined in this Section. The term "cannabis-infused products" shall not include
21 either useable cannabis or cannabis concentrates.

22 (5) "Cannabis products" means usable cannabis and cannabis-infused
23 products as defined in this Section.

24 (6) "Cannabis retailer" means any person, other than a wholesaler, who sells,
25 offers for sale, exposes for sale, or has in his possession for sale or distribution any
26 cannabis in any quantity.

27 (7) "Commissioner" means the commissioner of alcohol and tobacco control
28 who shall be the assistant secretary of the office of alcohol and tobacco control in the
29 Department of Revenue.

1 (8) "Criminal history record information" means information collected by
2 state and federal criminal justice agencies on individuals consisting of identifiable
3 descriptions and notations of arrests, detentions, indictments, bills of information,
4 or any formal criminal charges, and any disposition arising therefrom, including
5 sentencing, criminal correctional supervision, and release. It shall not include
6 intelligence information gathered for investigatory purposes or any identification
7 information which does not indicate involvement of the individual in the criminal
8 justice system.

9 (9) "Department" means the office of alcohol and tobacco control within the
10 Department of Revenue.

11 (10) "FBI" means the Federal Bureau of Investigation of the United States
12 Department of Justice.

13 (11) "Production facility" means person who sells cannabis and cannabis
14 products to a licensed cannabis retailer exclusively, within the state, who conducts
15 a bona fide wholesale business and maintains a warehouse or warehouses for the
16 storage and warehousing of cannabis and cannabis products in the area where
17 domiciled and licensed by the state, and conducts and maintains systematic and
18 regular solicitations, distribution, deliveries, and sales of cannabis and cannabis
19 products to licensed retail dealers located within the boundary of this state.

20 (12) "Usable cannabis" means the dried leaves and flowers of the cannabis
21 plant, and any mixture or preparation thereof, but shall not include the seeds, stalks,
22 and roots of the plant.

23 §943. Permits

24 A. The commissioner shall issue, as authorized by this Chapter, a cannabis
25 retailer permit and shall adopt rules and regulations that specify the identifying
26 information that is required to appear on the face of each of permit. Prior to selling,
27 offering for sale, exposing for sale, or possessing for sale or distribution cannabis in
28 any quantity, a person shall obtain a permit in accordance with the provisions of this
29 Section.

1 (1) The commissioner shall develop rules for issuing retailer permits in
2 accordance with the Administrative Procedures Act to ensure the number of retailers
3 are equally distributed amongst each region of the state in accordance with this
4 Section. The department shall use, at a minimum, the following criteria to develop
5 such rules for issuing permits:

6 (a) Population distribution of each region.

7 (b) Preference to applicants residing in an area with a disproportionately high
8 number of nonviolent marijuana drug arrests and convictions.

9 (c) Applicants who have resided in the state for at least five years prior to the
10 effective date of this Act.

11 B.(1) The commissioner shall issue a total of forty permits statewide, with
12 no more than five permits issued for any one geographic area covering the eight
13 regional planning commissions created pursuant to Subparts C and F of Part IV of
14 Chapter 1 of Title 33 of the Louisiana Revised Statutes of 1950, except for as
15 provided in Subparagraph (a) of this Paragraph. A permit shall be valid for a period
16 of two years unless suspended or revoked pursuant to Chapter.

17 (a) The commissioner may issue more than the allowable statewide total of
18 permits if the market demands and requests necessitate such an increase; however,
19 the commissioner shall seek to maintain a statewide and regional balance of permits
20 issued.

21 (2) Permit holders shall contact the commissioner regarding the renewal of
22 all permits prior to the end of the term of the permit in accordance with the
23 provisions of this Chapter.

24 §944. Fees; disposition of funds

25 A. The department shall establish an application fee to be paid by an
26 applicant.

27 (1) The application fee shall not exceed one thousand dollars.

1 (2) The application fee shall be payable to the department upon submission
2 of the application, and prior to the department beginning any review and an applicant
3 submitting fingerprints.

4 B. The department shall establish a cannabis retailer permit fee to be paid by
5 the permittee in accordance with the following:

6 (1) The initial permit fee shall not exceed one hundred thousand dollars.
7 However, the department may reduce the amount of the fee only if the population
8 distribution is limited.

9 (2) The permit fee shall be payable to the department upon issuance of the
10 license. The permittee shall pay a renewal fee of fifty thousand dollars every year
11 thereafter.

12 B. All fees collected and retained by the department shall be used to fund the
13 expenses related to the regulation and control of cannabis and cannabis products as
14 provided for in this Chapter. The department shall use a portion of the application
15 fee to cover the expenses associated with obtaining an applicant's fingerprints and
16 criminal history record information and shall not charge an applicant any fee beyond
17 the application fee for these expenses.

18 §945. General requirements; authorizations to obtain criminal history record
19 information; qualifications; location; and ratios

20 A. An applicant for a retailer permit shall meet the following qualifications:

21 (1) Be twenty-one years of age or older.

22 (2) Provide proof of valid lease or ownership of premises in which the
23 business will be located.

24 B. As a condition of eligibility, the department shall require an applicant to
25 do the following:

26 (1) Submit a full set of fingerprints, in a form and manner prescribed by the
27 department.

28 (2) Permit the department to request and obtain state and national criminal
29 history record information on the applicant.

1 C. In accordance with the provisions and procedure prescribed by this
2 Section, the department shall request and obtain state and national criminal history
3 record information from the bureau and the FBI relative to any applicant for
4 licensure whose fingerprints the department has obtained pursuant to this Section for
5 the purpose of determining the applicant's suitability and eligibility for a permit.

6 D. Upon request by the department and upon submission of an applicant's
7 fingerprints, and such other identifying information as may be required, the bureau
8 shall survey its criminal history records and identification files and make a
9 simultaneous request of the FBI for similar or related information from other
10 jurisdictions. The bureau may charge the department a reasonable processing fee for
11 conducting and reporting on any such search.

12 E. No retail location shall be located in a "drug free zone" as defined in R.S.
13 17:405(A).

14 F. Retail locations shall only sell cannabis and cannabis products and shall
15 not sell any other products or services besides cannabis and cannabis products. The
16 retail location shall have the following provisions:

17 (1) The location shall be supervised by a retailer employee at all times when
18 customers are present to ensure only persons who are twenty-one years of age and
19 older are permitted to enter.

20 (2) Retailer employees shall make reasonable efforts to limit the number of
21 customers in relation to the number of employees present in the location at any time.

22 G. The commissioner shall promulgate rules pursuant to the provisions of
23 the Administrative Procedure Act regarding this Section and any additional
24 requirements.

25 §946. Suitability requirements

26 A. The department shall not grant any permit pursuant to the provisions of
27 this Chapter if the applicant or any officer, director, or any person having a five
28 percent or more economic interest in the entity seeking a permit has been
29 disqualified on the basis of the following criteria:

1 (1) Has been convicted or entered a plea of guilty or nolo contendere for any
2 of the following:

3 (a) Theft or attempted theft, illegal possession of stolen things, or any
4 offense or attempt involving the misappropriation of property or funds.

5 (b) Any offense involving fraud or attempted fraud or false statements or
6 declarations.

7 (c) A crime of violence as defined in R.S. 14:2(B).

8 (d) Any offense involving schedule I narcotics, provided the offense was not
9 marijuana related.

10 (2) There is a current prosecution or pending charge against the person in
11 any jurisdiction for any offense listed in Paragraph (1) of this Subsection.

12 (3) The applicant or any person required to be suitable pursuant to this
13 Section fails to provide information and documentation to reveal any fact material
14 to a suitability determination or supplies information which is untrue or misleading
15 as to a material fact pertaining to the suitability criteria.

16 §947. Age requirements

17 No person under twenty-one years of age shall enter the premises of, or be
18 employed in, a cannabis retail establishment.

19 §948. Cannabis retailer restrictions

20 Cannabis retailers are prohibited from all of the following activities:

21 (1) The sale of more than one ounce of cannabis or cannabis related products
22 to any individual per calendar day.

23 (2) The sale of cannabis or cannabis products over the internet. All sales of
24 cannabis and cannabis products must take place within a cannabis retail location.

25 (3) The sale or giving away of any consumable that is not cannabis or a
26 cannabis product, including but not limited to cigarettes or tobacco products, alcohol
27 beverages, food products, and non-alcohol beverages.

28 (4) The sale or giving away of any service that is not related to the sale of
29 cannabis or a cannabis product.

1 (5) Providing or allowing entertainment of any type on the premises of the
2 retail location.

3 §949. Suspension or revocations of retailer permits

4 A. No person holding a permit and no agent, associate, employee,
5 representative, or servant agent of any person, shall do or permit any of the following
6 acts to be done on or about the licensed premises:

7 (1)(a) Sell or serve cannabis or cannabis products to any person under
8 twenty-one years of age. To determine the age of the consumer, each person shall
9 submit any one of the following:

10 (i) A valid, current Louisiana driver's license which contains a photograph
11 of the person presenting the driver's license. For the purposes of this Item, a
12 digitized credential through an electronic wallet, commonly known as "LA Wallet",
13 shall also be an acceptable form of a Louisiana driver's license.

14 (ii) A valid, current driver's license of another state which contains a
15 photograph of the person and birth date of the person submitting the driver's license.

16 (iii) A valid, current special identification card issued by the state of
17 Louisiana pursuant to R.S. 40:1321 containing a photograph of the person submitting
18 the identification card.

19 (iv) A valid, current passport or visa issued by the federal government or
20 another country or nation, that contains a permanently attached photograph of the
21 person and the date of birth of the person submitting the passport or visa.

22 (v) A valid, current military or federal identification card issued by the
23 federal government containing a photograph of the person and date of birth of the
24 person submitting the identification card.

25 (vi) A valid, current special identification card of another state which
26 contains a photograph of the person and birth date of the person submitting the
27 identification card.

28 (b) Each form of identification listed above shall on its face establish the age
29 of the person as twenty-one years of age or older, and there must be no reason to

1 doubt the authenticity or correctness of the identification. No form of identification
2 mentioned above shall be accepted as proof of age if it is expired, defaced, mutilated,
3 or altered. If the state identification card or lawful identification submitted is a
4 duplicate, the person shall submit additional identification which contains the name,
5 date of birth, and photograph of the person. A duplicate driver's license shall be
6 considered lawful identification for the purposes of this Paragraph, and a person shall
7 not be required to submit additional information containing the name, date of birth,
8 and picture of the person. In addition, an educational institution identification card,
9 check cashing identification card, or employee identification card shall not be
10 considered as lawful identification for the purposes of this Paragraph.

11 (2)(a) Intentionally entice, aid, or permit any person under the age of twenty-
12 one to visit or loiter in or about any place where cannabis or cannabis products are
13 the principal commodities sold, handled, or given away.

14 (b) Permit any person under twenty-one years of age to work in or on the
15 premises in any capacity.

16 (3) Permit any prostitution activities on the licensed premises even if such
17 activities are permitted by law.

18 (4) Sell, offer for sale, possess, or permit the consumption on or about the
19 licensed premises of any kind or type of cannabis or cannabis products.

20 (5) Intentionally conduct illegal gambling, as defined by law, on the
21 premises described in the application for the permit.

22 (6) Fail to keep the premises clean and sanitary.

23 (7) Illegally sell, offer for sale, possess, or permit the consumption on or
24 about the licensed premises of any kind or type of controlled dangerous substances
25 or other illegal substances.

26 (8) Permit any disturbance of the peace or obscenity, or any lewd, immoral,
27 or improper entertainment, conduct, or practices on the licensed premises.

1 B. A violation of the provisions of this Section by a retail dealer's agent,
2 associate, employee, representative, or servant shall be considered an act of the
3 retailer for purposes of suspension or revocation of a permit.

4 C. A violation of the provisions of this Section or any rule or regulation of
5 the commissioner, where no other penalty is provided for in this Section, shall be
6 fined not less than two thousand five hundred dollars nor more than ten thousand
7 dollars, imprisoned for not less than six months nor more than five years, or both. It
8 is also sufficient cause for the suspension or revocation of a permit.

9 D. Notwithstanding the issuance of a permit by way of renewal, the
10 commissioner may revoke or suspend such permit, as prescribed by this Chapter, for
11 violations of this Section occurring during the permit period immediately preceding
12 the issuance of such permit.

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 637 Original

2021 Regular Session

Newell

Abstract: Provides for the regulation of the cultivation, manufacturing, and retail sale of cannabis and cannabis products.

Proposed law creates a program of social equity in the cannabis industry for the purpose of offering financial assistance and license application benefits to individuals most directly and adversely impacted by enforcement of cannabis-related law who are interested in starting cannabis businesses.

Proposed law authorizes the Dept. of Agriculture and Forestry (LDAF) to create and issue up to 10 cannabis production facility licenses.

Proposed law defines "applicant", "bureau", "cannabis", "cannabis-infused products", "cannabis products", "commissioner", "criminal history record information", "cultivate", or "cultivating", "department", "FBI", "housing unit", "licensee", "licensure", "production facility", "retailer", and useable cannabis".

Proposed law requires applicants and subcontractors to undergo a state and national criminal background check and prohibits the department from issuing a license or approving a contract if the applicant, subcontractor, or any officer, director, or person with a 5% or more economic interest in the license has been convicted of or entered a guilty or nolo contendere plea for certain criminal offenses.

Proposed law requires each applicant of a production facility license and a retailer permit to pay an application fee not to exceed \$1,000, which will cover the expense of background

checks in addition to other administrative costs, and each licensee to pay an initial license fee not to exceed \$100,000 and an annual renewal fee not to exceed \$50,000.

Proposed law requires the LDAF to develop rules for the issuing of licenses based on a minimum criteria of the following:

- (1) Population distribution of the state.
- (2) Preference to applicants residing in an area with a disproportionately high number of non-violent marijuana drug arrests and convictions.
- (3) Applicants who have resided in this state or owned the property on which the production facility will be located for at least five years prior to the effective date of this Act. For the purposes of this Item, "owned" shall mean having a stake of at least fifty-one percent ownership in the property.

Proposed law prohibits anyone from being licensed, or to contract, to cultivate, process, transport, or sale cannabis or cannabis products in the state that has been disqualified on the basis of the following:

- (1) Has been convicted or entered a plea of guilty or nolo contendere for any of the following:
 - (a) Theft or attempted theft, illegal possession of stolen things, or any offense or attempt involving the misappropriation of property or funds.
 - (b) Any offense involving fraud or attempted fraud or false statements or declarations.
 - (c) A crime of violence as defined in present law (R.S. 14:2(B)).
 - (d) Any offense involving schedule I narcotics, provided the offense was not marijuana related.
- (2) There is a current prosecution or pending charge against the person in any jurisdiction for any offense listed in the paragraph above.
- (3) Fails to provide information and documentation to reveal any fact material to a suitability determination or supplies information which is untrue or misleading as to a material fact pertaining to the suitability criteria.

Proposed law allows for the transportation of cannabis and cannabis products in limited situations between licensees.

Proposed law provides for civil penalties up to \$50,000 per violation per day based upon ruling of the commissioner of agriculture.

Proposed law clarifies that proposed law does not interfere with the rights of medical marijuana patients or licensed medical marijuana production facilities.

Proposed law requires the commissioner of the office of alcohol and tobacco control to issue cannabis retailer permits and requires such a permit prior to selling cannabis or cannabis products. Specifies that the retailer permit is valid for a two-year period. Limits the number of permits to be issued in the state to 40 total and requires no more than 5 per regional planning area of the state; but provides for situations where the commissioner may increase the total permits issued.

Proposed law requires applicants for a retailer permit to be at least 21 years of age or older, and prohibits anyone under the age of 21 from working in or entering the premises of a retailer.

Proposed law restricts production facilities and retail locations from being located in a "drug free zone."

Proposed law includes additional restrictions, including the following prohibitions:

- (1) Selling more than one ounce of cannabis or cannabis products to any individual per calendar day.
- (2) Selling cannabis or cannabis products to persons under the age of 21. Requires certain forms of identification to be presented to the retailer.
- (3) Selling cannabis or cannabis products on the internet.
- (4) Giving away or selling any consumable that is not cannabis or cannabis products, including but not limited to, tobacco and alcohol products.
- (5) Selling any products or services other than cannabis or cannabis products.
- (6) Providing or permitting entertainment of any kind on the premises.
- (7) Permitting prostitution on the premises.

Proposed law outlines acceptable forms of identification for consumers to provide to retailers.

Proposed law authorizes the commissioner of Alcohol and Tobacco Control to revoke or suspend permits for violations of proposed law. Establishes fines and penalties ranging from \$2,500 to \$10,000 and from 6 months to 5 years of jail time.

(Adds R.S. 3:4761-4771 and R.S. 26:941-949)