

2022 Regular Session

HOUSE BILL NO. 125

BY REPRESENTATIVE NEWELL

CONTROLLED SUBSTANCES: 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 4770 and Chapter 9 of Title 26 of the Louisiana Revised  
4 Statutes of 1950, to be comprised of R.S. 26:941 through 948, 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 permit, 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 additional restrictions;  
13 to provide relative to the suspension or revocation of permits; to require  
14 promulgation of administrative rules; to provide for applicability; and to provide for  
15 related matters.

16 Be it enacted by the Legislature of Louisiana:

17 Section 1. Chapter 32 of Title 3 of the Louisiana Revised Statutes of 1950,  
18 comprised of R.S. 3:4761 through 4770, is hereby enacted to read as follows:



1 descriptions and notations of arrests, detentions, indictments, bills of information,  
2 or any formal criminal charges, and any disposition arising therefrom, including  
3 sentencing, criminal correctional supervision, and release. It shall not include  
4 intelligence information gathered for investigatory purposes or any identification  
5 information which does not indicate involvement of the individual in the criminal  
6 justice system.

7 (6) "Cultivate" or "cultivating" means planting, growing, and harvesting  
8 cannabis.

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

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

12 (9) "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 that has been issued  
16 a license by the Department of Agriculture and Forestry to produce cannabis and  
17 cannabis products.

18 (10) "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 (11) "Permit" means authorization issued by the department for a natural  
22 person to work for, or on behalf of, a licensee.

23 (12) "Permittee" means a principle officer, board member, or member of the  
24 licensee or producer, or a person employed in the operation or supervision of the  
25 licensee's operation, including any individual whose employment duties directly  
26 relate to the growing, cultivating, harvesting, processing, weighing, labeling,  
27 packing, transporting, and selling of cannabis or cannabis products.

28 (13) "Production facility" means a facility operating pursuant to a license  
29 issued by Department of Agriculture and Forestry to cultivate and process cannabis,

1 manufacture cannabis products, package and label cannabis products, and sell  
2 cannabis to licensed retailers. A production facility shall not sell cannabis directly  
3 to consumers.

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

7 §4763. General requirements; prohibitions; testing; tracking

8 A. No person or entity shall cultivate, process, or manufacture cannabis or  
9 cannabis products without a license issued by the department pursuant to this  
10 Chapter.

11 B. The department shall test the cannabis products in a facility approved by  
12 the department prior to the products being transported from a production facility to  
13 a licensed retailer.

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

17 §4764. Powers and duties of the commissioner

18 In addition to the powers, duties, and responsibilities otherwise vested in the  
19 commissioner by law, the commissioner shall:

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

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

24 (b) Application, license, permit, and testing fees.

25 (c) Security requirements for cultivation and product manufacturing  
26 facilities.

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

1           (e) Health and safety regulations and standards for the cultivation of  
2           cannabis and the manufacturing of cannabis products, including pesticide use and  
3           allowable extraction methods.

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

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

8           (4) Develop sampling and testing procedures to ensure safety and verify the  
9           potency of cannabis cultivated and cannabis products manufactured pursuant to this  
10          Chapter.

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

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

15          (7) Impose civil penalties for violations of the orders issued pursuant to the  
16          provisions of this Chapter or of the rules and regulations adopted pursuant to this  
17          Chapter.

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

21          (9) Institute civil proceedings to enforce the orders or rulings of the  
22          commissioner, collect any fees, fines, penalties, or costs due under this Chapter or  
23          to otherwise enforce the provisions of this Chapter or rules and regulations adopted  
24          pursuant to this Chapter.

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

1        §4765. Licensure requirements; authorization to obtain criminal history record  
2                    information

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

6                    (a) The department shall limit the number of licenses granted in the state to  
7                    no more than ten licenses. Once the maximum number of licenses have been issued,  
8                    the department shall only issue new licenses after a current license is either revoked  
9                    or not renewed or with legislative approval. The department shall issue any  
10                   approved new licenses in accordance with the criteria and procedures outlined in this  
11                   Section.

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

16                   (i) Population distribution of the state.

17                   (ii) Preference to applicants who have resided in this state or owned the  
18                   property on which the production facility will be located for at least five years prior  
19                   to the effective date of this Chapter and shall have a stake of at least fifty-one percent  
20                   ownership in the license.

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

23                   (d) No licensee shall sell or transfer their license to another person that has  
24                   not been a Louisiana resident for at least five years prior to the sale or transfer or to  
25                   an entity that does not have an ownership group made up of at least fifty-one percent  
26                   of Louisiana residents residing in the state at least five years prior to the sale or  
27                   transfer.

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

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

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

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

7           C. Prior to entering into any contract, memorandum of understanding, or  
8           cooperative endeavor agreement with a licensee, a subcontractor shall also comply  
9           with the conditions of eligibility contained in Subsection B of this Section in order  
10          to receive contract approval from the department.

11          D. In accordance with the provisions and procedure prescribed by this  
12          Section, the department shall request and obtain state and national criminal history  
13          record information from the bureau and the FBI relative to any applicant for  
14          licensure whose fingerprints the department has obtained pursuant to this Section for  
15          the purpose of determining the applicant's suitability and eligibility for licensure.

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

22          §4766. Suitability requirements

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

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

1           (a) Theft or attempted theft, illegal possession of stolen things, or any  
2           offense or attempt involving the misappropriation of property or funds within five  
3           years from the date of application.

4           (b) Any offense involving fraud or attempted fraud or false statements or  
5           declarations within five years from the date of application.

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

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

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

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

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

23          C. No person licensed pursuant to this Section shall give or receive anything  
24          of value in connection with any contract, memorandum of understanding, or  
25          cooperative endeavor agreement executed pursuant to this Section except the value  
26          that is expressed in the contract, memorandum of understanding, or cooperative  
27          endeavor agreement.

28          D. Any contract, memorandum of understanding, or cooperative endeavor  
29          agreement entered into with any licensee or subcontractor pursuant to this Section



1 shall be a public record subject to disclosure pursuant to the Public Records Law,

2 R.S. 44:1 et seq.

3 §4767. Fees; disposition of funds

4 A. The department shall establish fees to be paid by an applicant.

5 (1) The application fee shall not exceed two thousand five hundred dollars.

6 The application fee shall be nonrefundable.

7 (2) The application fee shall be payable to the department upon submission

8 of the application.

9 B. The department shall collect a suitability fee to be paid to the office of

10 state police, gaming division to investigate the applicant once chosen as the licensee.

11 C. The department shall establish a production facility license fee to be paid

12 by the licensee in accordance with the following:

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

14 (2) The license fee shall be paid annually to the department.

15 D. The department shall establish a permit fee to be paid for a person

16 employed in the operation or supervision of the licensee's operation in accordance

17 with the following:

18 (1) The permit fee shall not exceed fifty dollars.

19 (2) The permit fee shall be payable annually to the department.

20 E. The department shall establish a transportation carrier fee to be paid for

21 a person employed in transporting cannabis or cannabis products in accordance with

22 the following:

23 (1) The transportation carrier fee shall not exceed two hundred and fifty

24 dollars.

25 (2) The permit fee shall be payable annually to the department.

26 F. All fees collected and retained by the department shall be used to fund the

27 expenses relating to the regulation and control of cannabis and cannabis products as

28 provided for in this Chapter.

1        §4768. Transportation of cannabis

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

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

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

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

9            B. Any licensee using an employee of the business or contracting with an  
10 outside carrier for the purpose of this Section shall first have the employee or outside  
11 carrier approved by the department in accordance with the procedures for a  
12 subcontractor under this Chapter.

13        §4769. Civil penalties

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

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

21        §4770. Therapeutic marijuana; issuance of licenses to therapeutic marijuana  
22 production facilities

23            A. Nothing in this Chapter shall be construed to limit any privileges or rights  
24 of a medical marijuana patient or production facility as provided by R.S. 40:966(F)  
25 and 1046.

26            B. Notwithstanding any provision of R.S. 3:4766 through 4768, the  
27 department shall issue a cannabis production facility license to each entity that,  
28 pursuant to R.S. 40:1046, participated in a competitive public bid process and was  
29 awarded and entered into a contract with either the Louisiana State University

1        Agricultural Center or the Southern University Agricultural Center for the  
2        cultivation, extraction, and production of therapeutic cannabis in Louisiana without  
3        necessity of an application for license. The department shall issue the licenses to the  
4        entity free of charge.

5        Section 2. Chapter 9 of Title 26 of the Louisiana Revised Statutes of 1950,  
6        comprised of R.S. 26:941 through 948, is hereby enacted to read as follows:

7                    CHAPTER 9. CANNABIS AND CANNABIS PRODUCTS

8                    §941. Definitions

9                    As used in this Chapter, the following terms shall have the following  
10                   meanings:

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

17                    (2) "Bureau" means the Louisiana Bureau of Criminal Identification and  
18                   Information of the Department of Public Safety and Corrections, office of state  
19                   police.

20                    (3) "Cannabis" means all parts of plants of the genus Cannabis, whether  
21                   growing or not, the seeds thereof, the resin extracted from any part of such plant, and  
22                   every compound, manufacture, salt, derivative, mixture, or preparation of such plant,  
23                   its seeds or resin, but shall not include the mature stalks of such plant, fiber produced  
24                   from such stalks, oil or cake made from the seeds of such plant, any other compound,  
25                   manufacture, salt, derivative, mixture, or preparation of such mature stalks (except  
26                   the resin extracted therefrom), fiber, oil, or cake or the sterilized seed of such plant  
27                   which is incapable of germination.

1           (4) "Cannabis retailer" means any person, other than a wholesaler, who sells,  
2           offers for sale, exposes for sale, or has in his possession for sale or distribution any  
3           cannabis in any quantity.

4           (5) "Commissioner" means the commissioner of alcohol and tobacco control  
5           who shall be the assistant secretary of the office of alcohol and tobacco control in the  
6           Department of Revenue.

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

15          (7) "Department" means the office of alcohol and tobacco control within the  
16          Department of Revenue.

17          (8) "FBI" means the Federal Bureau of Investigation of the United States  
18          Department of Justice.

19          (9) "Production facility" means a person who sells cannabis and cannabis  
20          products to a licensed cannabis retailer exclusively, within the state, who conducts  
21          a bona fide wholesale business and maintains a warehouse or warehouses for the  
22          storage and warehousing of cannabis and cannabis products in the area where  
23          domiciled and licensed by the state, and conducts and maintains systematic and  
24          regular solicitations, distribution, deliveries, and sales of cannabis and cannabis  
25          products to licensed retail dealers located within the boundary of this state.

26          §942. Permits

27                 A.(1) The commissioner shall issue, as authorized by this Chapter, a  
28                 cannabis retailer permit and shall adopt rules and regulations that specify the  
29                 identifying information that is required to appear on the face of each permit. Prior

1 to selling, offering for sale, exposing for sale, or possessing for sale or distribution  
2 cannabis in any quantity, a person shall obtain a permit in accordance with the  
3 provisions of this Section.

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

9 (a) Population distribution of each region.

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

12 (c) Preference to applicants who have resided in the state for at least five  
13 years prior to the effective date of this Chapter.

14 B.(1) The commissioner shall issue a total of forty permits statewide, with  
15 no more than five permits issued for any one geographic area covering the eight  
16 regional planning commissions created pursuant to Subparts C and F of Part IV of  
17 Chapter 1 of Title 33 of the Louisiana Revised Statutes of 1950, except for as  
18 provided in Paragraph (2) of this Subsection. A permit shall be valid for a period of  
19 two years unless suspended or revoked pursuant to Chapter.

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

24 (3) Permit holders shall contact the commissioner regarding the renewal of  
25 all permits prior to the end of the term of the permit in accordance with the  
26 provisions of this Chapter.

27 §943. Fees; disposition of funds

28 A. The department shall establish an application fee to be paid by an  
29 applicant.

1           (1) The application fee shall not exceed two thousand five hundred dollars.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14          E. No retail location shall be located in a "drug free zone" as defined in R.S.  
15          17:405(A).

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

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

22           (2) Retail employees shall make reasonable efforts to limit the number of  
23           customers in relation to the number of employees present in the location at any time.

24           (3) If the applicant's business is to be conducted wholly or partly by one or  
25           more managers, agents, servants, employees, or other representatives, those persons  
26           shall also possess the qualifications required of the applicant and shall furnish  
27           verification of suitability in accordance with the provisions of this Chapter.

1           G. The commissioner shall promulgate rules and regulations pursuant to the  
2           provisions of the Administrative Procedure Act as necessary to implement the  
3           provisions of this Section and any additional requirements.

4           §945. Suitability requirements

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

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

11                          (a) Theft or attempted theft, illegal possession of stolen things, or any  
12                          offense or attempt involving the misappropriation of property or funds five years  
13                          from the date of application.

14                          (b) Any offense involving fraud or attempted fraud or false statements or  
15                          declarations five years from the date of application.

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

17                          (d) Any offense involving Schedule I narcotics, provided the offense was not  
18                          marijuana related.

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

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

25           §946. Age requirements

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

28           §947. Cannabis retailer restrictions

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



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

3           (2) The sale of cannabis or cannabis products over the internet. All sales of  
4           cannabis and cannabis products shall take place within a cannabis retail location.

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

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

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

12          §948. Suspension or revocations of retailer permits

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

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

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

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

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

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

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

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

10           (b) Each form of identification listed in Subparagraph (a) of this Paragraph  
11           shall on its face establish the age of the person as twenty-one years of age or older,  
12           and there shall be no reason to doubt the authenticity or correctness of the  
13           identification. No form of identification mentioned in Subparagraph (a) of this  
14           Paragraph shall be accepted as proof of age if it is expired, defaced, mutilated, or  
15           altered. If the state identification card or lawful identification submitted is a  
16           duplicate, the person shall submit additional identification which contains the name,  
17           date of birth, and photograph of the person. A duplicate driver's license shall be  
18           considered lawful identification for the purposes of this Paragraph, and a person shall  
19           not be required to submit additional information containing the name, date of birth,  
20           and picture of the person. In addition, an educational institution identification card,  
21           check cashing identification card, or employee identification card shall not be  
22           considered as lawful identification for the purposes of this Paragraph.

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

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

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

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

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

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

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

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

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

14          C. A person who violates the provisions of this Section or any rule or  
15          regulation of the commissioner, where no other penalty is provided for in this  
16          Section, shall be fined not less than two thousand five hundred dollars nor more than  
17          ten thousand dollars, imprisoned for not less than six months nor more than five  
18          years, or both. Any such violation shall be sufficient cause for the suspension or  
19          revocation of a permit.

20          D. Notwithstanding the issuance of a permit by way of renewal, the  
21          commissioner may revoke or suspend such permit, as prescribed by this Chapter, for  
22          violations of this Section occurring during the permit period immediately preceding  
23          the issuance of such permit.

24          Section 3.(A) The commissioner of agriculture and forestry shall initiate the  
25          promulgation of all rules required by the provisions of Section 1 of this Act through the  
26          notice of intent process provided by R.S. 49:953(A) prior to December 1, 2022.

27          (B) The commissioner of agriculture and forestry shall take no action to enforce the  
28          provisions of Section 1 of this Act prior to the sixtieth day after the date of adoption of the  
29          administrative rules required by this Section.

1 Section 4.(A) The commissioner of alcohol and tobacco control shall initiate the  
2 promulgation of all rules required by the provisions of Section 2 of this Act through the  
3 notice of intent process provided by R.S. 49:953(A) prior to December 1, 2022.

4 (B) The commissioner of alcohol and tobacco control shall take no action to enforce  
5 the provisions of Section 2 of this Act prior to the sixtieth day after the date of adoption of  
6 the administrative rules required by this Section.

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#### 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)]

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HB 125 Original

2022 Regular Session

Newell

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

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

Proposed law defines "applicant", "bureau", "cannabis", "commissioner", "criminal history record information", "cultivate", or "cultivating", "department", "FBI", "licensee", "licensure", "permit", "permittee", "production facility", and "retailer".

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 \$2,500, which will cover administrative costs, and each production facility licensee to pay an annual license fee not to exceed \$100,000.

Proposed law requires each production facility licensee to pay a suitability fee, which will be paid to the La. State Police, Gaming Division for the purpose of investigating a chosen licensee's qualifications and an annual \$50 permit fee for each person employed in the operation or supervision of the licensee's operation.

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

- (1) Population distribution of the state.
- (2) 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 and have a stake of at least fifty-one percent ownership in the property.

Proposed law prohibits licensees from selling or transferring their license to another person that has not been a La. resident for at least five years prior to the sale or transfer or to an

entity that does not have an ownership group made up of at least 51% of La. residents residing in the state at least five years prior to the sale or transfer.

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 within five years from the date of application.
  - (b) Any offense involving fraud or attempted fraud or false statements or declarations within five years from the date of application.
  - (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 proposed law.
- (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 and establishes a \$250 contract carrier permit fee for any third party contracting with a licensee for the purpose of transporting cannabis and cannabis products.

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 and requires the department to issue a production facility license to any current therapeutic marijuana license holder.

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 five per regional planning area of the state, but provides for situations where the commissioner may increase the total permits issued.

Proposed law requires an initial retailer permit fee not to exceed \$100,000, which may be reduced by the commissioner if the population distribution is limited, and an annual renewal fee of \$50,000 every year thereafter.

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. Requires any employee of a retailer to furnish verification to the permittee that the same suitability requirements as the permittee are met.

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 six months to five years of jail time.

(Adds R.S. 3:4761-4770 and R.S. 26:941-948)