

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



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

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 18, 2022	11:15 AM	<b>Author:</b> MAGEE
<b>Dept./Agy.:</b> LDH		<b>Analyst:</b> Shawn Hotstream
<b>Subject:</b> fees		

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

Present law provides that the Louisiana Department of Agriculture and Forestry establish and collect annual license fees from licensed marijuana producers of \$100,000 for administration and inspection costs, and collect a non refundable application fee of \$10,000. Proposed law requires instead that the Louisiana Department of Health collect the annual license fee, and changes the fee to \$50,000 from each contractor permitted to cultivate, extract, process, produce, and transport therapeutic marijuana and an annual permit fee of \$100 from each person who is subject to provisions of R.S. 40:1047.

Proposed law provides that the Louisiana Board of Pharmacy shall establish and may collect, nonrefundable charges to fund expenses associated with regulation and control of therapeutic marijuana, including an annual license charge of \$50,000 to each contractor permitted to cultivate, produce, process, and transport therapeutic marijuana, a charge of no more than \$10,000 for services related to inspection of marijuana labs, a charge of up to \$10,000 for services related to at least one annual renewal inspections.

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

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

**EXPENDITURE EXPLANATION**

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

**REVENUE EXPLANATION**

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

Senate      Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Interim Deputy Fiscal Officer**