

2022 Regular Session

HOUSE BILL NO. 698

BY REPRESENTATIVE MAGEE

FEES/LICENSES/PERMITS: Provides for fees and charges to be assessed by the La. Department of Health in connection with regulation of marijuana for therapeutic use

1 AN ACT

2 To amend and reenact R.S. 40:1046(C)(2)(introductory paragraph) and

3 (H)(8)(a)(introductory paragraph), (i), (iii), and (b) and to enact R.S.

4 40:1046(C)(2)(m) and (H)(8)(c) and (d), relative to marijuana produced for

5 therapeutic use; to provide for regulation by the Louisiana Department of Health of

6 various aspects of production of marijuana for therapeutic use; to authorize the

7 Louisiana Department of Health to charge and collect fees from contractors and other

8 persons involved with therapeutic marijuana production; to authorize the department

9 to charge and collect fees to fund expenses associated with regulation and control of

10 therapeutic marijuana; to provide for remittance to the Louisiana Department of

11 Revenue of the proceeds of certain fees; to provide for an effective date; and to

12 provide for related matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 40:1046(C)(2)(introductory paragraph) and (H)(8)(a)(introductory

15 paragraph), (i), (iii), and (b) are hereby amended and reenacted and R.S. 40:1046(C)(2)(m)

16 and (H)(8)(c) and (d) are hereby enacted to read as follows:

17 §1046. Recommendation and dispensing of marijuana for therapeutic use; rules and

18 regulations of the ~~Louisiana State Board of Medical Examiners and~~

19 Louisiana Board of Pharmacy; production facility licensing; ~~by the~~

1           ~~Department of Agriculture and Forestry~~ permitting by the Louisiana

2           Department of Health

3                                   \*       \*       \*

4           C.

5                                   \*       \*       \*

6           (2) The rules promulgated pursuant to this Subsection shall include but not  
7 be limited to:

8                                   \*       \*       \*

9           (m) The establishment of a reasonable fee schedule for testing of therapeutic  
10 marijuana samples.

11                                  \*       \*       \*

12           H.

13                                  \*       \*       \*

14           (8)(a) The ~~department~~ Louisiana Department of Health shall perform the  
15 following:

16           (i) Establish and collect an annual license fee of one hundred thousand  
17 dollars from each contractor permitted to cultivate, extract, process, produce, and  
18 transport therapeutic marijuana ~~and an annual permit fee of one hundred dollars for~~  
19 ~~administrative and inspection costs.~~

20                                  \*       \*       \*

21           (iii) Assess a fee of seven percent of the gross sales of therapeutic marijuana.  
22 The fee shall be reported and paid by the licensed production facility or permitted  
23 contractor that sells therapeutic marijuana to marijuana pharmacies. The fee that  
24 shall be collected by the Department of Revenue and shall be subject to the  
25 provisions of Chapter 18 of Subtitle II of Title 47 of the Louisiana Revised Statutes  
26 of 1950 as amended. Notwithstanding the provisions of Subparagraph (b) of this  
27 Paragraph, the Department of Revenue shall transfer monthly to the state treasury for  
28 deposit into the Community and Family Support System Fund, as established in R.S.  
29 28:826, the amount of revenues collected in accordance with this Item. An amount

1 shall be allocated to the department, pursuant to legislative appropriation, for  
2 regulatory, administrative, investigative, enforcement, legal, and other such expenses  
3 as may be necessary to carry out the provisions of this Chapter and for activities  
4 associated with the enforcement of law and regulations governing the therapeutic  
5 marijuana program.

6 (b) All fees collected by the department shall be used to fund the expenses  
7 relating to the regulation and control of ~~prescribed marijuana for therapeutic use~~  
8 therapeutic marijuana.

9 (c) The department shall establish and collect the following nonrefundable  
10 charges to fund expenses associated with regulation and control of therapeutic  
11 marijuana:

12 (i) A charge of no more than ten thousand dollars for services related to the  
13 inspection of a therapeutic marijuana laboratory to be paid within fifteen days of the  
14 applicant's actual receipt of a board-approved, initial laboratory license application.

15 (ii) A charge of no more than ten thousand dollars for services related to a  
16 subsequent inspection of a therapeutic marijuana laboratory within one hundred  
17 eighty days of the laboratory commencing operations.

18 (iii) A charge of no more than ten thousand dollars for services related to at  
19 least one annual renewal inspection to be paid within fifteen days of a licensee's  
20 actual receipt of a board-approved laboratory license renewal.

21 (d) Any notice required by this Subsection shall be sent via certified mail and  
22 electronic mail to the addresses of record provided by the applicant or licensee in its  
23 initial application or most current renewal application.

24 \* \* \*

25 Section 2. This Act shall become effective upon signature by the governor or, if not  
26 signed by the governor, upon expiration of the time for bills to become law without signature  
27 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
28 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
29 effective on the day following such approval.

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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 698 Engrossed

2022 Regular Session

Magee

**Abstract:** Provides for fees and charges to be assessed in connection with regulation of production and testing of marijuana for therapeutic use.

Proposed law authorizes the state entity with responsibility for regulating the testing of marijuana for therapeutic use, known commonly as medical marijuana, to establish by rule a reasonable fee schedule for testing of medical marijuana samples.

Proposed law requires the La. Dept. of Health to collect the following nonrefundable charges relating to regulation and control of medical marijuana:

- (1) An annual license fee of \$100,000 from each contractor permitted to cultivate, extract, process, produce, and transport medical marijuana.
- (2) A charge of no more than \$10,000 for services related to the initial inspection of a therapeutic marijuana laboratory.
- (3) A charge of no more than \$10,000 for services related to a subsequent inspection of a therapeutic marijuana laboratory.
- (4) A charge of no more than \$10,000 for services related to at least one annual renewal inspection.

Proposed law provides that a licensed marijuana production facility or its contractor shall remit to the La. Dept. of Revenue the proceeds of the fee on gross sales of therapeutic marijuana established in present law (R.S. 40:1046(H)(8)(a)(iii)).

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 40:1046(C)(2)(intro. para.) and (H)(8)(a)(intro. para.), (i), (iii), and (b); Adds R.S. 40:1046(C)(2)(m) and (H)(8)(c) and (d))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Health and Welfare to the original bill:

1. Delete all references to the La. Board of Pharmacy appearing in connection with testing of medical marijuana in proposed law and replace them with references to the La. Dept. of Health.
2. Restore present law providing for an annual fee of \$100,000 per license for production of medical marijuana (deleting proposed law decreasing the fee to \$50,000).
3. Delete proposed law providing for an annual license charge of \$50,000 to each contractor permitted to cultivate, extract, process, produce, and transport therapeutic marijuana.

4. Provide that the licensed marijuana production facility or its contractor shall remit to the La. Dept. of Revenue the proceeds of the fee on gross sales of therapeutic marijuana established in present law.