

LEGISLATIVE FISCAL OFFICE
Fiscal Note



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

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 18, 2024 8:15 PM	Author: MCMATH
Dept./Agy.: Higher Education & Health	Analyst: Chris Henry
Subject: Therapeutic Marijuana Regulations	

PHARMACEUTICALS OR NO IMPACT See Note
Provides relative to marijuana for therapeutic use. (gov sig)

Proposed legislation extends the sunset on regulations pertaining to the therapeutic use of marijuana found in R.S. 40:1046 for an additional 5 years and 6 months, from January 1, 2025 to July 1, 2030. Changes terminology from the Southern University Agricultural Center and the Louisiana State University Agricultural Center being licensed to produce marijuana for therapeutic use, to "authorized" and permitted. Changes the terminology regarding the contractors selected by the universities would become a "license" from the current "permit". Provides for a change in the entity required to pay the seven percent fee on gross sales paid from "licensed facility or permitted contractor" to "licensed contractor".

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

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

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on current governmental expenditures as a result of this measure. The proposed legislation will extend provisions in current law for an additional 5 years and 6 months without significant changes to the parameters of the regulatory functions.

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

REVENUE EXPLANATION

There is no anticipated direct material effect on current governmental revenues as a result of this measure. The extension of the sunset provisions will allow revenue collections established in present law to continue to the new sunset terminating at the end of FY 29. Under present law, the LA Department of Health (LDH) assesses a \$100,000 license fee on contractors permitted for medical marijuana production along with a \$10,000 application fee. Also based on current law, the Department of Revenue will continue to collect the 7% fee on gross sales of therapeutic marijuana by the permitted contractors; the proceeds of which are deposited into the Disability Services Fund. Any contractual obligations owed to the LSU or Southern Agricultural Centers by the licensed producers would continue according to the terms of their respective agreements.

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}

Patrice Thomas
Deputy Fiscal Officer