

SENATE COMMITTEE AMENDMENTS

2024 Regular Session

Amendments proposed by Senate Committee on Health and Welfare to Engrossed House Bill No. 376 by Representative Riser

1 AMENDMENT NO. 1

2 On page 1, line 2, after "reenact" delete "R.S. 40:1046(L)," and insert "R.S. 28:826(B)(1)
3 and (2)(c) and (C)(1)(b) and R.S. 40:1046(G)(3)(e),(H), and (L), 1046.2(A), the introductory
4 paragraph of 1046.2(B), the introductory paragraph of 1046.2(B)(1), the introductory
5 paragraph of 1046.2(B)(1)(a), 1046.2(B)(1)(b) through (e), and (B)(2)(a), (C)(1), the
6 introductory paragraph of 1046.2(C)(2), and 1046.2(C)(2)(a) and (c), the introductory
7 paragraph of 1046.2(D), the introductory paragraph of 1046.2(D)(1), and 1046.2(D)(2), (4),
8 and (5), the introductory paragraph of 1046.2(E) and 1046.2(E)(1), the introductory
9 paragraph of 1046.2(F), 1046.2(F)(1), the introductory paragraph of 1046.2(F)(2), and
10 1046.2(F)(2)(b) and (3), (G), (H)(1) and (2) and the introductory paragraph of 1046.2(H)(3),
11 and the introductory paragraph of 1046.2(I), the introductory paragraph of 1046.2(I)(1), and
12 1046.2(I)(1)(a) and (b), (2), and (3), and 1046.4(A)(1) and (3) and (C)(1) and (2) and to
13 repeal R.S. 28:826(B)(2)(d) and (C)(1)(c),"

14 AMENDMENT NO. 2

15 On page 1, delete lines 6 through 12 and insert the following:

16 "Section 1. R.S. 28:826(B)(1) and (2)(c) and (C)(1)(b) are hereby amended and
17 reenacted and R.S. 28:826(B)(2)(d) and (C)(1)(c) are hereby repealed as follows:

18 §826. Disability Services Fund
19 * * *

20 B.(1) Notwithstanding any other provision of law to the contrary, after
21 compliance with the requirements of Article VII, Section 9(B) of the Constitution of
22 Louisiana relative to the Bond Security and Redemption Fund, and after a sufficient
23 amount is allocated from that fund to pay all of the obligations secured by the full
24 faith and credit of the state which become due and payable within any fiscal year, the
25 treasurer shall deposit into the fund an amount equal to the amount collected by the
26 state attributable to the sale or lease of all or part of any movable and immovable
27 property previously operated by the office for citizens with developmental
28 disabilities within the Louisiana Department of Health, ~~the proceeds of the fee~~
29 ~~assessed pursuant to the provisions of R.S. 40:1046(H)(8)(a)~~; and the proceeds of the
30 taxes levied pursuant to R.S. 47:9105(A) and (B).

31 (2) * * *
32 * * *

33 ~~(c) The state treasurer shall deposit one-half of the monies attributable to the~~
34 ~~proceeds of the fee assessed pursuant to the provisions of R.S. 40:1046(H)(8)(a) into~~
35 ~~a separate account within the fund.~~

36 ~~(d) The state treasurer shall deposit one-half of the monies attributable to the~~
37 ~~proceeds of the fee assessed pursuant to the provisions of R.S. 40:1046(H)(8)(a) and~~
38 ~~the proceeds of the taxes levied pursuant to R.S. 47:9105(A) and (B) into a separate~~
39 ~~account within the fund.~~

40 * * *

41 C.(1) The legislature shall appropriate monies from the separate accounts of
42 the fund as follows:

43 * * *

44 ~~(b) The account containing the monies attributable to one-half of the proceeds~~
45 ~~of the fee assessed pursuant to the provisions of R.S. 40:1046(H)(8)(a) shall be used~~
46 ~~solely to provide funding for the Early Steps intervention program for infants and~~
47 ~~toddlers with disabilities and their families as established in R.S. 28:461 et seq.~~

48 ~~(e) The account containing the monies attributable to one-half of the proceeds~~
49 ~~of the fee assessed pursuant to the provisions of R.S. 40:1046(H)(8)(a) and the~~
50 ~~proceeds of the taxes levied pursuant to R.S. 47:9105(A) and (B) shall be used solely~~

1 to support and enhance developmental disabilities services within the Medicaid
2 program or the office for citizens with developmental disabilities, or its successor.

3 * * *

4 Section 2. R.S. 40:1046(G)(3)(e), (H), and (L), 1046.2(A), the introductory paragraph
5 of 1046.2(B), the introductory paragraph of 1046.2(B)(1), the introductory paragraph of
6 1046.2(B)(1)(a), 1046.2(B)(1)(b) through (e), and (B)(2)(a), (C)(1), the introductory
7 paragraph of 1046.2(C)(2), and 1046.2(C)(2)(a) and (c), the introductory paragraph of
8 1046.2(D), the introductory paragraph of 1046.2(D)(1), and 1046.2(D)(2), (4), and (5), the
9 introductory paragraph of 1046.2(E) and 1046.2(E)(1), the introductory paragraph of
10 1046.2(F), 1046.2(F)(1), the introductory paragraph of 1046.2(F)(2), and 1046.2(F)(2)(b)
11 and (3), (G), (H)(1) and (2) and the introductory paragraph of 1046.2(H)(3), and the
12 introductory paragraph of 1046.2(I), the introductory paragraph of 1046.2(I)(1), and
13 1046.2(I)(1)(a) and (b), (2), and (3), and 1046.4(A)(1) and (3) and (C)(1) and (2) are hereby
14 amended and reenacted to read as follows:

15 §1046. Recommendation and dispensing of marijuana for therapeutic use; rules and
16 regulations of the Louisiana Board of Pharmacy; production facility
17 licensing; permitting by the Louisiana Department of Health

18 * * *

19 G.

20 * * *

21 (3)

22 * * *

23 (e) For the purposes of this Paragraph, the active, qualified patient count shall
24 be conducted and reviewed on a quarterly basis using the preceding ~~three-month~~
25 twenty-four month period.

26 * * *

27 ~~H.(1)(a) The legislature hereby recognizes and declares that both the~~
28 ~~Louisiana State University Agricultural Center and the Southern University~~
29 ~~Agricultural Center timely exercised and asserted the intent of each university to be~~
30 ~~licensed to produce recommended marijuana for therapeutic use in this state in~~
31 ~~accordance with the provisions of Act No. 261 of the 2015 Regular Session of the~~
32 ~~Legislature of Louisiana.~~

33 (b) ~~Each institution identified in Subparagraph (a) of this Paragraph,~~
34 ~~respectively, shall select and contract with only one contractor authorized to produce~~
35 ~~therapeutic marijuana in accordance with this Part. The selection process and~~
36 ~~contracting provided for in this Subparagraph shall be done in accordance with all~~
37 ~~applicable provisions of the Louisiana Procurement Code, R.S. 39:1551 et seq. Each~~
38 ~~contractor and the university with which it contracts shall execute an agreement for~~
39 ~~services. The Louisiana Department of Health shall issue no more than two licenses~~
40 ~~to cultivate, extract, process, produce, and transport therapeutic marijuana in this~~
41 ~~state. Each license shall be issued on July first and shall be effective for a period of~~
42 ~~one year.~~

43 (b) The licenses issued on July 1, 2024, shall be to the entities who held
44 contracts with the Louisiana State University Agricultural Center and the Southern
45 University Agricultural Center on January 1, 2024, pursuant to Act No. 261 of the
46 2015 Regular Session of the Legislature.

47 (c) Upon each renewal period, a license in force shall be renewed by the
48 department for the next succeeding period upon proper application for renewal and
49 payment of license fees as required by law and the rules and regulations of the
50 department.

51 (d) Subject to the limitation of no more than two licenses to cultivate, extract,
52 process, produce, and transport therapeutic marijuana in this state, the department
53 shall select a new licensee through a competitive bid process in accordance with the
54 applicable provisions of the Louisiana Procurement Code, R.S. 39:1551 et seq., if
55 any of the following occur:

56 (i) After written notice from the department and failure of the licensee to cure
57 within thirty days following receipt of written notice, a licensee fails to comply with
58 the proper application for renewal and payment of license fees as required by law
59 and the rules and regulations of the department, and the license is revoked.

1 (ii) A license is voluntarily returned or remitted to the department prior to the
 2 expiration of the licensure period.

3 ~~(2)(a) The Louisiana Department of Health shall issue all of the following~~
 4 ~~annually:~~

5 ~~(a) A nontransferable specialty license for the production of recommended~~
 6 ~~marijuana for therapeutic use, which the department shall issue only to the Louisiana~~
 7 ~~State University Agricultural Center and the Southern University Agricultural~~
 8 ~~Center.~~

9 ~~(b) A permit to cultivate, extract, process, produce, and transport therapeutic~~
 10 ~~marijuana, which the department shall issue only to the sole contractor selected by~~
 11 ~~each university in accordance with Paragraph (1) of this Subsection.~~

12 ~~(c) The Louisiana State University Agricultural Center, the Southern~~
 13 ~~University Agricultural Center, and the University of Louisiana at Monroe may~~
 14 ~~conduct research on marijuana for therapeutic use.~~

15 ~~(d) On or before February first annually, the Louisiana State University~~
 16 ~~Agricultural Center, the Southern University Agricultural Center, and the University~~
 17 ~~of Louisiana at Monroe shall each submit to the Senate and House committees on~~
 18 ~~health and welfare a report which includes data and outcomes of any research~~
 19 ~~conducted pursuant to Subparagraph (c) of this Paragraph. No such report shall~~
 20 ~~include any proprietary information, intellectual property, or private financial data.~~

21 ~~(3) Repealed by Acts 2022, No. 491, §1, eff. August 1, 2022.~~

22 ~~(4) Repealed by Acts 2022, No. 491, §1, eff. August 1, 2022.~~

23 ~~(5) Repealed by Acts 2022, No. 491, §1, eff. August 1, 2022.~~

24 ~~(6)(a) The Louisiana Department of Health shall collect all of the following~~
 25 ~~information from each licensee:~~

26 ~~(i) The amount of gross marijuana produced by the licensee during each~~
 27 ~~calendar year.~~

28 ~~(ii) The details of all production costs including but not limited to seed,~~
 29 ~~fertilizer, labor, advisory services, construction, and irrigation.~~

30 ~~(iii) The details of any items or services for which the licensee subcontracted~~
 31 ~~and the costs of each subcontractor directly or indirectly working for the contractor~~
 32 ~~licensee.~~

33 ~~(iv) The amount of therapeutic chemicals produced resulting from the~~
 34 ~~marijuana grown pursuant to this Section.~~

35 ~~(v) The amounts paid each year to the licensee related to the licensee's~~
 36 ~~production of therapeutic marijuana pursuant to this Section.~~

37 ~~(vi) The amount of therapeutic marijuana distributed to each pharmacy~~
 38 ~~licensed to dispense therapeutic marijuana in this state during each calendar year.~~

39 ~~(b) The Louisiana Department of Health **department** shall provide the~~
 40 ~~information collected as required by this Paragraph for the previous calendar year~~
 41 ~~in the form of a written report to the legislature no later than February first of each~~
 42 ~~year. The department shall also make a copy of the report required by this~~
 43 ~~Subparagraph available to the public on the internet.~~

44 ~~(7)(3) No company that has made a contribution to a candidate in a Louisiana~~
 45 ~~election governed by the provisions of the Campaign Finance Disclosure Act within~~
 46 ~~the five years prior to bidding for the license, or is controlled wholly or in part by a~~
 47 ~~person who made such a contribution within the five years prior to the company~~
 48 ~~bidding for the license, may be eligible for the license.~~

49 ~~(8)(a)(4) The Louisiana Department of Health **department** shall perform the~~
 50 ~~following:~~

51 ~~(i)(a) Establish and collect an annual license fee of one hundred thousand~~
 52 ~~dollars from each contractor licensee permitted to cultivate, extract, process,~~
 53 ~~produce, and transport therapeutic marijuana.~~

54 ~~(ii)(b) Collect a nonrefundable application fee of ten thousand dollars.~~

55 ~~(iii)(c) Assess a fee of seven percent of the gross sales of therapeutic~~
 56 ~~marijuana. The fee shall be reported and paid by the licensed production facility or~~
 57 ~~permitted contractor that sells therapeutic marijuana to marijuana pharmacies~~
 58 ~~licensee. The fee shall be collected by the Department of Revenue and shall be~~
 59 ~~subject to the provisions of Chapter 18 of Subtitle II of Title 47 of the Louisiana~~
 60 ~~Revised Statutes of 1950 as amended. Notwithstanding the provisions of~~
 61 ~~Subparagraph (b) of this Paragraph, the The Department of Revenue shall transfer~~

1 ~~any monies collected in accordance with this Item monthly~~ to the state treasury on
2 a monthly basis for allocation in accordance with this Part. ~~deposit into the Disability~~
3 ~~Services Fund, as established in R.S. 28:826, the amount of revenues collected in~~
4 ~~accordance with this Item. An amount shall be allocated to the department, pursuant~~
5 ~~to legislative appropriation, for regulatory, administrative, investigative,~~
6 ~~enforcement, legal, and other such expenses as may be necessary to carry out the~~
7 ~~provisions of this Chapter and for activities associated with the enforcement of law~~
8 ~~and regulations governing the therapeutic marijuana program.~~

9 (b) ~~All fees collected by the department shall be used to fund the expenses~~
10 ~~relating to the regulation and control of therapeutic marijuana.~~

11 (5) The department shall promulgate rules and regulations as necessary to
12 implement the provisions of this Subsection.

13 * * *

14 L. The provisions of this Section shall terminate on ~~January 1, 2025~~ July 1,
15 2030.

16 * * *

17 §1046.2. ~~Contractors, selection;~~ Licenses; minimum standards

18 A. ~~The contractor selected by the licensed university through a competitive~~
19 ~~bid process~~ licensee to cultivate, extract, process, produce, and transport therapeutic
20 marijuana shall be subject to oversight and inspections by the Louisiana Department
21 of Health as provided in this Section.

22 B. Initial inspections of ~~contractor~~ facilities shall be conducted in accordance
23 with the following procedures and requirements:

24 (1) Prior to commencement of operations, the Louisiana Department of
25 Health shall conduct an initial inspection of the ~~contractor's~~ facility, limited strictly
26 to a determination of the following:

27 (a) That the ~~contractor~~ facility adheres to all of the following:

28 * * *

29 (b) That the ~~contractor~~ licensee possesses and maintains accurate, detailed
30 plans and elevation drawings of all operational areas involved with the cultivation,
31 extraction, processing, and production of therapeutic marijuana.

32 (c) That the ~~contractor~~ licensee possesses and maintains a written operations
33 plan, which shall be limited to standard operating procedures for the cultivation of
34 marijuana in each facility production area, instructions for making each product
35 produced on the premises, equipment operations manuals, procedures for conducting
36 necessary safety checks, sanitization procedures for working surfaces and equipment,
37 quality control procedures, and emergency preparedness procedures.

38 (d) That the ~~contractor~~ licensee has connection and access to the Louisiana
39 Medical Marijuana Tracking System, hereafter referred to in this Section as
40 LMMTS.

41 (e) That the ~~contractor~~ licensee has security against unauthorized entry via
42 the presence of operational alarm and video surveillance systems, limited access
43 areas, secure locking systems, and door controls throughout the facility.

44 * * *

45 (2)(a) Notwithstanding Paragraph (1) of this Subsection, nothing in this
46 Section shall be construed to obstruct or impede the lawful activity of any licensee
47 ~~or permittee.~~

48 * * *

49 C.(1) Inspections of ~~contractor~~ facilities other than initial inspections shall
50 be conducted in accordance with the procedures and requirements provided in
51 Paragraph (2) of this Subsection.

52 (2) After a ~~contractor~~ licensee commences producing therapeutic marijuana
53 in an approved facility, the Louisiana Department of Health shall inspect each
54 ~~contractor~~ facility at least twice annually to verify the existence or accuracy of the
55 following:

56 (a) Possession and accuracy of detailed plans and elevation drawings of all
57 operational areas involved with the cultivation, extraction, processing, and
58 production of ~~medical~~ therapeutic marijuana.

59 * * *

60 (c) Connection and accessibility to the ~~Louisiana Medical Marijuana~~
61 ~~Tracking System~~ LMMTS.

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* * *

D. All of the following standards and requirements for security shall apply with respect to **contractor** facilities:

(1) Any **contractor** facility alarm or surveillance system shall include the following:

* * *

(2) Each **contractor** facility shall maintain on-site security personnel, at a minimum, during standard United States business hours of eight o'clock a.m. to five o'clock p.m. and shall maintain off-site, electronic security monitoring at all other times.

* * *

(4) Each **contractor licensee** shall limit access to and post limited-access signage where marijuana is cultivated, extracted, processed, produced, or stored. Limited access areas shall remain locked and accessible only by authorized personnel.

(5) Each employee, supervisor, or agent of each **contractor licensee** shall keep a current identification card, in a form approved by the department, on his person when present at a **contractor** facility.

E. All of the following procedures, restrictions, and authorizations shall apply relative to visitors at **contractor** facilities:

(1) Persons who do not possess a **contractor licensee** identification card shall be issued a visitor identification badge after signing a log maintained by the **contractor licensee** that properly identifies the visitor to the premises. The visitor shall wear the badge for the duration of his time on the premises, and the visitor shall not be left unaccompanied in any area where marijuana or marijuana products are present.

* * *

F. All of the following requirements shall apply with respect to data management by **contractors licensees**:

(1) Each **contractor licensee** shall acquire and maintain all software, hardware, and communications infrastructure necessary to ensure connectivity to and implementation of the ~~Louisiana Medical Marijuana Tracking System, referred to hereafter in this Subsection as the~~ LMMTS, to track therapeutic marijuana from seed to distribution to an approved laboratory, to licensed pharmacies, to another cultivation **contractor licensee** or to destruction, tagging each plant and product with a unique identification number, and entering the number into the LMMTS for tracking. The **contractor licensee** shall bear the cost of all expenses related to tracking, tagging, and implementation of the LMMTS.

(2) Within twenty-four hours of the respective qualifying event, the **contractor licensee** shall record the following in the LMMTS:

* * *

(b) The sale, transfer, or transport of therapeutic marijuana or its derivatives to another **contractor licensee**, approved laboratory, or therapeutic marijuana pharmacy.

* * *

(3) Notwithstanding any other provision of this Section, each **contractor licensee** shall keep all documents and information required by this Part for at least the current year and the three preceding calendar years, including but not limited to business records necessary to fully account for each business transaction conducted by the **contractor licensee**.

G. All of the following standards and requirements shall apply to **contractors' the licensees' inventory**:

(1) Each **contractor licensee** shall maintain a comprehensive inventory of all marijuana, including without limitation usable marijuana available for dispensing, mature marijuana plants, and seedlings at each authorized location. Following an initial inventory, all marijuana shall be inventoried on a weekly basis.

(2) Any therapeutic marijuana waste product shall be properly weighed and recorded in the ~~Louisiana Medical Marijuana Tracking System~~ LMMTS and stored in a limited access area of a **contractor** facility until rendered unusable.

H. Material safety data sheet requirements shall include all of the following:

1 (1) Any pesticides or chemicals used by a contractor licensee in the
2 production of therapeutic marijuana shall be used and stored according to the
3 contractor's licensee's written operations plan.

4 (2) Each contractor licensee shall maintain a material safety data sheet in
5 each facility area where toxic cleaning compounds, sanitizing agents, solvents used
6 in the production of therapeutic marijuana extracts and concentrates, pesticide
7 chemicals, or other agricultural chemicals are used or stored.

8 (3) Each contractor licensee shall record the following information when
9 applying a pesticide or other agricultural chemical to therapeutic marijuana at any
10 cultivation stage:

11 * * *

12 I. All of the following requirements shall apply to transportation of
13 therapeutic marijuana by contractors licensees:

14 (1) Prior to transporting therapeutic marijuana, a contractor licensee shall
15 generate an inventory manifest in the ~~Louisiana Medical Marijuana Tracking~~
16 ~~System, referred to hereafter in this Subsection as the LMMTS~~, including all of the
17 following information:

18 (a) The name of the contractor licensee originating the transport.

19 (b) The name of the contractor licensee, approved laboratory, or licensed
20 pharmacy receiving the transport.

21 * * *

22 (2) The contractor licensee originating the transport shall provide the
23 contractor, approved laboratory, or licensed pharmacy receiving the transport with
24 a copy of the LMMTS inventory manifest, which shall not be altered after departing
25 the originating contractor's licensee's facility.

26 (3) The contractor licensee, approved laboratory, or licensed pharmacy
27 receiving the transport shall record the quantities of all therapeutic marijuana
28 products in the LMMTS. However, any contractor licensee, approved laboratory, or
29 licensed pharmacy receiving a therapeutic marijuana transport shall refuse the
30 transport if it is not accompanied by an unaltered LMMTS inventory manifest.

31 * * *

32 §1046.4. Testing; sample collection; minimum standards; reporting; remediation

33 A.(1) Each ~~contractor permitted licensee authorized~~ to cultivate, extract,
34 process, produce, and transport therapeutic marijuana pursuant to this Part shall
35 comply with approved minimum standards by making each batch of therapeutic
36 marijuana subject to random selection, sampling, and analysis conducted by an
37 independent approved laboratory collector in a volume sufficient to ensure
38 compliance.

39 * * *

40 (3) The laboratory shall record test results in the Louisiana Medical
41 Marijuana Tracking System and produce a certificate of analysis to be delivered to
42 the Louisiana Department of Health and contractor licensee permitted to cultivate,
43 extract, process, produce, and transport therapeutic marijuana within twenty-four
44 hours of test completion.

45 * * *

46 C.(1) Neither a contractor licensee nor an approved laboratory authorized
47 pursuant to this Part shall release or approve a therapeutic marijuana product for
48 delivery or sale until a sample from the applicable product batch has complied with
49 all required testing standards.

50 (2) A contractor licensee may resubmit to an approved laboratory any sample
51 that fails one or more initial tests required by this Part. The sample may be released
52 for delivery and sale only if it passes all tests conducted by an approved laboratory
53 in duplicate. The sample may be remediated according to any reasonably acceptable
54 industry methods if it fails one or more tests conducted by an approved laboratory.

55 * * **

56 AMENDMENT NO. 3

57 On page 1, line 13, change "Section 2." to "Section 3."