
DIGEST

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HB 627 Original

2025 Regular Session

Newell

Abstract: Authorizes the sale of marijuana without a recommendation and establishes an adult-use cannabis pilot program.

Proposed law provides that proposed law shall be known and may be cited as the "Adult-Use Cannabis Pilot Program Regulation and Enforcement Act".

Proposed law provides that in an effort to protect the public health, safety and welfare, it is the purpose of proposed law to establish a temporary pilot program designed to test and evaluate parameters of the implementation of a permanent adult-use cannabis program in this state including all of the following:

- (1) Testing the practicality of a potential permanent program in a real-world environment to determine if it works as intended.
- (2) Implementing a temporary pilot program on a smaller scale to help identify potential challenges, limitations, or risks that could arise before a potential permanent rollout.
- (3) Providing the opportunity to gather real-time feedback and data to assess the effectiveness of the temporary pilot program and potential permanent program, as well as identifying any unintended consequences.
- (4) Mitigating the risks and exposure by testing the waters on a smaller scale, rather than committing to a potential permanent implementation that could prove unsuccessful.
- (5) Gathering, measuring, and analyzing the outcomes and results to determine whether the temporary pilot program or potential permanent program should be modified or abandoned.

Proposed law defines "adult-use cannabis", "department", "LMMTS", "pilot program", and "THC".

Proposed law authorizes La. Dept. of Health (LDH) to exercise regulatory authority over the cultivation, extraction, processing, production, transportation, and retail sale of adult-use cannabis.

Proposed law provides that the authority to sell adult-use cannabis shall be limited to the existing retailer permit holder authorized, in accordance with present law (R.S. 40:1046 et seq.), to sell therapeutic marijuana in each region corresponding to the sets of parishes comprising, respectively, the administrative regions of LDH as those regions existed on Aug. 1, 2022.

Proposed law requires that, no later than 90 days before the commencement of the pilot program, each retail permit holder in a region to notify LDH of its intent to participate in the pilot program and identify one retail location in the region that will participate in the pilot program.

Proposed law provides that a retail location shall be authorized to serve qualified patients purchasing recommended marijuana for therapeutic use and consumers of adult-use cannabis.

Proposed law provides that if a retail permit holder in a region declines to participate in the pilot program, LDH shall not authorize that retail permit holder to participate in the pilot program for the duration of the pilot program. Proposed law allows a retail permit holder who declines to participate in the pilot program to still continue to serve qualified patients purchasing recommended marijuana for therapeutic use.

Proposed law requires LDH to issue initial pilot program permits on Jan. 1, 2026. Proposed law further requires LDH to subsequently issue pilot program permits on July 1st of each year.

Proposed law provides that the permits shall be effective for a period of one year.

Proposed law provides that, upon each annual renewal period, a pilot program permit in force shall be renewed by LDH for the next succeeding period.

Proposed law requires LDH to assess an annual pilot program permit renewal fee of \$5,000 for each retail location, each cultivator, and each laboratory participating in the pilot program.

Present law requires LDH to assess a 7% fee on the gross sales of therapeutic marijuana from the licensed cultivators of therapeutic marijuana.

Proposed law requires LDH, for the duration of the pilot program, to assess a 3.5% fee on the gross sales of therapeutic and adult-use marijuana from a licensed cultivator.

Proposed law provides that if a licensee who is authorized as provided in present law (R.S. 40:1046 et seq.) to cultivate therapeutic marijuana declines to participate in the pilot program, the licensee shall continue to report and pay a fee of 7% of the gross sales of therapeutic marijuana to the Dept. of Revenue.

Proposed law requires the fees provided for in proposed law to be collected by the Dept. of Revenue. Proposed law further requires the Dept. of Revenue to transfer the fees monthly to the state treasury to deposit into the Disability Services Fund.

Proposed law provides that the pilot program shall commence Jan. 1, 2026 and terminate on July 1, 2029.

Present law provides that the sale of medical marijuana shall be exempted from the sales and use tax.

Proposed law adds that the aforementioned exemption does not apply to any other retail sale or sale at retail of marijuana. Proposed law otherwise retain present law.

(Adds R.S. 40:1048)