

2022 Regular Session

HOUSE BILL NO. 566

BY REPRESENTATIVE BAGLEY

MEDICAL MARIJUANA: Increases the number of entities eligible for licensure as medical marijuana production facilities

1 AN ACT

2 To amend and reenact R.S. 40:1046(H)(1)(a), (2)(a) and (b), (3), (4)(a) and (e),
3 (6)(a)(introductory paragraph) and (b) and 1047(A)(4), relative to the therapeutic use
4 of marijuana; to provide for the transfer of licensure of marijuana production
5 facilities; to provide for regulatory authority; to provide for the definition of
6 "department"; to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 40:1046(H)(1)(a), (2)(a) and (b), (3), (4)(a) and (e),
9 (6)(a)(introductory paragraph) and (b) and 1047(A)(4) are hereby amended and reenacted
10 to read as follows:

11 §1046. Recommendation and dispensing of marijuana for therapeutic use; rules and
12 regulations of the ~~Louisiana State Board of Medical Examiners and~~
13 Louisiana Board of Pharmacy; production facility licensing by the
14 ~~Department of Agriculture and Forestry~~ Louisiana Department of Health

15 * * *

16 H.(1)(a) The ~~Department of Agriculture and Forestry~~ Louisiana Department
17 of Health, referred to in this Subsection as "the department", shall develop the rules
18 and regulations regarding the extraction, processing, and production of

1 recommended therapeutic marijuana and the facility producing therapeutic
2 marijuana. The rules and regulations shall require as a minimum standard that the
3 extraction and refining process produce a product that is food-safe and capable of
4 producing pharmaceutical-grade products.

5 * * *

6 (2)(a) The ~~Department of Agriculture and Forestry~~ department shall develop
7 an annual, nontransferable specialty license for the production of recommended
8 marijuana for therapeutic use. Other than the licenses granted pursuant to
9 Subparagraph (b) of this Paragraph, the ~~Department of Agriculture and Forestry~~
10 department shall limit the number of such licenses granted in the state to no more
11 than one licensee. ~~The Louisiana State University Agricultural Center and the~~
12 ~~Southern University Agricultural Center shall have the right of first refusal to be~~
13 ~~licensed as the production facility, either separately or jointly. If neither of the~~
14 ~~centers exercise this option, the license shall be awarded~~ grant any new licenses
15 pursuant to the requirements provided for in Paragraphs (3) through (5) of this
16 Subsection. The department shall take into consideration market supply and demand
17 for the therapeutic use of marijuana, product cost to patients, and geographic balance
18 of production facilities, if possible, within the state when making the decision to
19 issue any new licenses.

20 (b) ~~Prior to September 1, 2016, the~~ The Louisiana State University
21 Agricultural Center and the Southern University Agricultural Center, if already
22 licensed on July 1, 2023, shall each provide written notice to the commissioner of
23 ~~agriculture and forestry of their intent to be licensed as a~~ have the right to retain their
24 ~~production facility, either separately or jointly~~ license, provided that on or before
25 August 1, 2023, each university shall provide written notice to the secretary of the
26 department of its intent to remain a licensed production facility and to be regulated
27 by the department.

28 * * *

1 form of a written report to the Louisiana Legislature no later than February first of
2 each year. The department shall also make a copy of the report required by this
3 Subparagraph available to the public on the Internet.

4 * * *

5 §1047. Louisiana ~~Department of Agriculture and Forestry~~ Department of Health;
6 authorization to obtain criminal history record information

7 A. As used in this Section, the following terms shall have the following
8 meaning:

9 * * *

10 (4) "Department" means the Louisiana ~~Department of Agriculture and~~
11 ~~Forestry~~ Department of Health.

12 * * *

13 Section 2.(A) This Section shall become effective upon signature of this Act by the
14 governor or, if not signed by the governor, upon expiration of the time for bills to become
15 law without signature by the governor, as provided by Article III, Section 18 of the
16 Constitution of Louisiana. If this Act is vetoed by the governor and subsequently approved
17 by the legislature, this Section shall become effective on the day following such approval.

18 (B)(1) Section 1 of this Act shall become effective on July 1, 2023; if this Act is
19 vetoed by the governor and subsequently approved by the legislature, Section 1 of this Act
20 shall become effective on July 1, 2023, or on the day following such approval by the
21 legislature, whichever is later.

22 (2) The Department of Agriculture and Forestry and the Louisiana Department of
23 Health shall take such actions prior to July 1, 2023, including but not limited to amending,
24 adopting, and repealing administrative rules, as well as the transfer of any relevant program
25 and licensee records, as are necessary to implement the provisions of this Act on that date.

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)]

HB 566 Engrossed

2022 Regular Session

Bagley

Abstract: Changes the state regulatory authority for medical marijuana production from the La. Dept. of Agriculture and Forestry to the La. Dept. of Health and removes a limitation on the number of production facility licenses.

Present law requires the La. Dept. of Agriculture and Forestry (LDAF) to develop rules and regulations regarding the extraction, processing, and production of recommended marijuana for therapeutic use, known commonly as medical marijuana. Requires LDAF to license and regulate medical marijuana production facilities.

Proposed law replaces LDAF with the La. Dept. of Health (LDH) as the state authority for licensure and regulation of medical marijuana production facilities.

Present law requires the number of production facility licenses issued within the state, outside of those granted to the Louisiana State University (LSU) and Southern University (SU) Agricultural Centers, to be limited to one. Provides that the license shall be awarded by competitive sealed bid process or competitive sealed proposal and only if LSU and SU decline to be licensed.

Proposed law removes the limitation on the number of licenses which may be issued and requires LDH to issue any new licenses pursuant to the procedures established in present law.

Proposed law stipulates that if the LSU and SU Agricultural Centers hold production facility licenses on July 1, 2023, then they may retain their licenses so long as each institution provides written notice to the secretary of LDH on or before August 1, 2023, of its intent to remain licensed and be regulated by LDH.

Present law authorizes LDAF to obtain criminal history record information for the purposes of determining suitability of medical marijuana production licensees and applicants for licensure. Proposed law revises present law to confer this authority on LDH.

Proposed law encompasses transfer provisions pursuant to which LDH becomes the successor in every way to LDAF for the purposes of regulating medical marijuana production.

Upon the effective date of proposed law, the provisions of proposed law effectuating the full succession of LDAF by LDH become effective on July 1, 2023.

Proposed law requires LDAF and LDH to take such actions prior to July 1, 2023, including but not limited to amending, adopting, and repealing administrative rules, as are necessary to fully implement proposed law on that date.

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

(Amends R.S. 40:1046(H)(1)(a), (2)(a) and (b), (3), (4)(a) and (e), (6)(a)(intro. para.) and (b) and 1047(A)(4))

Summary of Amendments Adopted by House

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

1. Make technical changes.