



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 627** HLS 25RS 1031

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 22, 2025	5:00 PM	Author: NEWELL
Dept./Agy.: Health		
Subject: Louisiana Cannabis Pilot Program		Analyst: Anthony Shamis

HEALTH

Provides for the Louisiana Cannabis Pilot Program

OR INCREASE SG RV See Note

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Proposed law provides for the Louisiana Cannabis Pilot Program, which allows for the sale of marijuana in certain circumstances. Proposed law establishes a procedure to obtain a permit to sell marijuana, provides for fees, and testing.

Proposed law authorizes the Louisiana Department 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 retail locations shall be authorized to serve qualified customers marijuana for therapeutic use and consumers of adult-use cannabis.

Proposed law authorizes LDH to assess an annual pilot program permit fee of \$5,000 for each retail location, each cultivator, and each laboratory participating in the pilot program. Permits shall be effective for one year. LDH shall assess a 3.5% fee on gross sales of therapeutic and adult-use marijuana from a licensed cultivator. Fees shall be collected by the Louisiana Department of Revenue (LDR) and deposited into the Disability Services Fund. The pilot program will commence on January 1, 2026, and terminate on July 1, 2029.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

Proposed law is anticipated to have an indeterminable, but minimal expenditure impact on the Office of Public Health (OPH), within LDH and no expenditure impact on LDR as a result of the implementation and oversight of the Louisiana Cannabis Pilot Program. Information provided by LDH indicates that minimal expenditures will be required by the department as a result of this legislation, because existing databases and staff currently allocated to the therapeutic marijuana program will be utilized to implement this program. LDR reports that costs associated with computer system development and modification, tax form redesign, and testing associated with the collection of fees required by this legislation can be absorbed within the department’s existing staff and resources.

REVENUE EXPLANATION

Proposed law is anticipated to increase SGR revenues in OPH by \$120,000 and increase SGF, SGR, and the statutorily dedicated Disability Services Fund by an indeterminable amount in LDR as a result of fees required by this measure. Fees include annual pilot program permit fees and an assessment of 3.5% of gross wholesales of all marijuana, therapeutic and adult use, distributed to a therapeutic retail permit holder or pilot program permit holder.

LDH:
Assuming that the two non-state laboratories permitted to test therapeutic marijuana, both manufacturers and the maximum of 20 retailers agree to participate, the department may collect up to \$120,000 (2 manufacturers + 2 manufacturers = 20 retailers = 24 x \$5,000 permit fee = \$120,000)

LDR:
This proposal will result in an indeterminable increase to sales tax revenues, SGF and LDR 1% SGR (1% of specific tax collections and certain compensatory expenses), as well as the statutorily dedicated Disability Services Fund. Revenue collections are dependent upon the number of licensees that participate in the pilot program.

Senate	Dual Referral Rules	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	

Patrice Thomas
Deputy Fiscal Officer