

2026 Regular Session

HOUSE BILL NO. 373

BY REPRESENTATIVE NEWELL

HEALTH: Provides for the Louisiana Cannabis Pilot Program

1 AN ACT

2 To amend and reenact R.S. 47:305.2(B)(11) and to enact R.S. 40:1048, relative to the sale  
3 of marijuana; to provide for an adult use cannabis pilot program; to authorize the sale  
4 of marijuana in certain circumstances; to establish a procedure to obtain a permit to  
5 sell marijuana; to provide for fees; to provide for testing; to provide for definitions;  
6 to provide for an effective date; to provide for a termination date; and to provide for  
7 related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 40:1048 is hereby enacted to read as follows:

10 §1048. Adult-Use Cannabis Pilot Program Regulation and Enforcement Act

11 A.(1) This Section shall be known and may be cited as the "Adult-Use  
12 Cannabis Pilot Program Regulation and Enforcement Act".

13 (2) In an effort to protect the public health, safety and welfare, it is the  
14 purpose of this Section to establish a temporary pilot program designed to test and  
15 evaluate the parameters of the implementation of a permanent adult-use cannabis  
16 program in this state including all of the following:

17 (a) Testing the practicality of a potential permanent program in a real-world  
18 environment to determine if it works as intended.

1           (b) Implementing a temporary pilot program on a smaller scale to help  
2           identify potential challenges, limitations, or risks that could arise before a potential  
3           permanent rollout.

4           (c) Providing the opportunity to gather real-time feedback and data to assess  
5           the effectiveness of the temporary pilot program and potential permanent program,  
6           as well as identifying any unintended consequences.

7           (d) Mitigating the risks and exposure by testing the waters on a smaller scale,  
8           rather than committing to a potential permanent implementation that could prove  
9           unsuccessful.

10           (e) Gathering, measuring, and analyzing the outcomes and results to  
11           determine whether the temporary pilot program or potential permanent program  
12           should be modified or abandoned.

13           B. As used in this Section, the following terms have the following meanings:

14           (1) "Adult-use cannabis" means the natural flowering tops, leaves, resins,  
15           and extracts derived from plants of the genus Cannabis, including all parts of the  
16           plant containing naturally occurring THC, cultivated and harvested directly from the  
17           cannabis plant, excluding any cannabinoids or THC derived through synthetic  
18           processes or chemically altered from hemp-derived compounds such as CBD or  
19           other non-THC cannabinoids, that are legally sold to and consumed by adults who  
20           do not participate in the therapeutic use of marijuana program authorized in  
21           accordance with R.S. 40:1046 et seq.

22           (2) "Department" means the Louisiana Department of Health.

23           (3) "LMMTS" means the Louisiana Medical Marijuana Tracking System,  
24           tracking marijuana from seed to delivery to an approved laboratory, to wholesale to  
25           permitted retailers, to wholesale to another licensed cultivation facility, to delivery  
26           to an authorized researcher, to sale to persons by permitted retailers, or to  
27           destruction.

28           (4) "Pilot program" means the adult-use cannabis pilot program established  
29           in accordance with this Section.

1           (5) "THC" means tetrahydrocannabinol, tetrahydrocannabinolic acid, and  
2           any tetrahydrocannabinol derivative or precursor.

3           C.(1) The department is authorized to exercise regulatory authority over the  
4           cultivation, extraction, processing, production, transportation, and retail sale of  
5           adult-use cannabis.

6           (2) For the health, safety, and welfare of the public, the public health sanitary  
7           code rules promulgated by the department pursuant to R.S. 40:1046 et seq. for the  
8           cultivation, extraction, processing, production, transportation, sale, and independent  
9           laboratory testing of therapeutic marijuana shall be followed to implement the  
10          provisions of this Section except for those rules unique and applicable only to  
11          therapeutic marijuana, patients, debilitating conditions, clinicians, and  
12          recommendations.

13          (3) Nothing in this Section shall be construed to prohibit the department  
14          from adopting rules as otherwise provided for in the Administrative Procedure Act.

15          D.(1) The authority to sell adult-use cannabis shall be limited to the existing  
16          retailer permit holder authorized, in accordance with R.S. 40:1046 et seq., to sell  
17          therapeutic marijuana in each region corresponding to the sets of parishes  
18          comprising, respectively, the administrative regions of the department as those  
19          regions existed on August 1, 2022.

20          (2) No later than ninety days before the commencement of the pilot program,  
21          each retail permit holder in a region authorized pursuant to R.S. 40:1046 et seq. shall  
22          notify the department of its intent to participate in the pilot program and identify one  
23          retail location in the region that will participate in the pilot program. The designated  
24          retail location may serve qualified patients purchasing recommended marijuana for  
25          therapeutic use and consumers of adult-use cannabis.

26          (3) If a retail permit holder in a region authorized pursuant to R.S. 40:1046  
27          et seq. declines to participate in the pilot program, the department shall not authorize  
28          that retail permit holder to participate in the pilot program for the duration of the  
29          pilot program. A retail permit holder who declines to participate in the pilot program

1 may continue to serve qualified patients purchasing recommended marijuana for  
2 therapeutic use in accordance with R.S. 40:1046 et seq.

3 (4) Pursuant to R.S. 40:1046 et seq., each retail permit holder has acquired  
4 and maintains all software, hardware, and communications infrastructure necessary  
5 to ensure connectivity to and implementation of the LMMTS. A retail permit holder  
6 who sells adult-use cannabis pursuant to this Section shall comply with the reporting  
7 requirements of the LMMTS, except for those functions of the LMMTS that are  
8 unique and applicable only to therapeutic marijuana, patients, debilitating conditions,  
9 clinicians, and recommendations.

10 (5) No retail location participating in the pilot program shall sell adult-use  
11 cannabis in accordance with the provisions of this Section to any person under  
12 twenty-one years of age.

13 E.(1) The authority to cultivate, extract, process, produce, and transport  
14 adult-use cannabis is limited to the licensees authorized in accordance with R.S.  
15 40:1046 et seq. to cultivate, extract, process, produce, and transport therapeutic  
16 marijuana.

17 (2) No later than ninety days before the commencement of the pilot program,  
18 the licensees authorized to cultivate, extract, process, produce, and transport  
19 therapeutic marijuana pursuant to R.S. 40:1046 et seq. shall notify the department  
20 of its intent to participate in the pilot program. The licensee may cultivate, extract,  
21 process, produce, and transport adult-use cannabis in addition to cultivating,  
22 extracting, processing, producing, and transporting therapeutic marijuana.

23 (3) If a licensee authorized to cultivate, extract, process, produce, and  
24 transport therapeutic marijuana pursuant to R.S. 40:1046 et seq. declines to  
25 participate in the pilot program, the department shall not authorize that licensee to  
26 participate in the pilot program permit for the duration of the pilot program. The  
27 licensee who declines to participate in the pilot program may continue to cultivate,  
28 extract, process, produce, and transport therapeutic marijuana pursuant to R.S.  
29 40:1046 et seq.

1           (4) Pursuant to R.S. 40:1046 et seq., each licensee authorized to cultivate,  
2           extract, process, produce, and transport therapeutic marijuana has acquired and  
3           maintains all software, hardware, and communications infrastructure necessary to  
4           ensure connectivity to and implementation of the LMMTS. Each licensee authorized  
5           to participate in the pilot program to cultivate, extract, process, produce, and  
6           transport adult-use cannabis pursuant to this Section shall comply with the reporting  
7           requirements of the LMMTS.

8           F.(1) Analyzing, testing, and handling of adult-use cannabis shall be  
9           conducted pursuant to R.S. 40:1046 et seq., and the rules promulgated by the  
10          department for analyzing, testing, and handling therapeutic marijuana.

11          (2) Prior to analyzing, testing, or handling adult-use cannabis, an applicant  
12          for an adult-use laboratory license shall submit an initial license application on a  
13          form and in a manner prescribed by the department.

14          (3) Pursuant to R.S. 40:1046 et seq., each authorized laboratory has acquired  
15          and maintains all software, hardware, and communications infrastructure necessary  
16          to ensure connectivity to and implementation of the LMMTS. Each laboratory  
17          authorized pursuant to this Section shall comply with the reporting requirements of  
18          the LMMTS.

19          G.(1) The department shall issue initial pilot program permits on January 1,  
20          2027. The department shall subsequently issue pilot program permits on July first  
21          and permits shall be effective for a period of one year. Upon each annual renewal  
22          period, a pilot program permit in force shall be renewed by the department for the  
23          next succeeding period upon proper application for renewal and payment of an  
24          annual pilot program permit renewal fee as required by law and the rules and  
25          regulations of the department.

26          (2) The department shall assess an annual pilot program permit renewal fee  
27          of five thousand dollars for each retail location, each cultivator, and each laboratory  
28          participating in the pilot program.

1           H. State and local sales and use tax on the "retail sale" or "sale at retail"  
2           involving adult-use cannabis authorized in accordance with the pilot program shall  
3           apply to all transactions that take place on January 1, 2027, through July 1, 2030.

4           I. The provisions of R.S. 40:1046(H)(4)(c) shall be suspended and replaced  
5           by this Subsection for the duration of the pilot program. For the duration of the pilot  
6           program, the department shall assess a fee of three and one-half percent of the gross  
7           wholesales of all marijuana, for therapeutic and adult-use, distributed to a therapeutic  
8           retail permit holder or pilot program permit holder. The fee shall be reported and  
9           paid by the licensee participating in the pilot program authorized to cultivate, extract,  
10           process, produce, and transport adult-use cannabis. If a licensee who is authorized  
11           pursuant to R.S. 40:1046 et seq. to cultivate, extract, process, produce, and transport  
12           therapeutic marijuana declines to participate in the pilot program, the licensee shall  
13           continue to report and pay a fee of seven percent of the gross sales of therapeutic  
14           marijuana to the Department of Revenue. All fees shall be collected by the  
15           Department of Revenue and shall be subject to the provisions of Chapter 18 of  
16           Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950. The Department  
17           of Revenue shall transfer monthly to the state treasury for deposit into the Disability  
18           Services Fund, as established in R.S. 28:826, the amount of revenues collected in  
19           accordance with this Subsection.

20           J. Unless expressly provided for in this Section, the provisions of this  
21           Section shall not be construed to in any way interfere with or replace any effort,  
22           purpose, limitation, or program implemented pursuant to R.S. 40:1046, et seq.,  
23           including the limitation on no more than a total of thirty retail locations authorized  
24           pursuant to R.S. 40:1046 et seq., with a limit of twenty retail locations authorized to  
25           sell recommended marijuana for therapeutic use pursuant to R.S. 40:1046 et seq., and  
26           up to ten retail locations authorized to sell both recommended marijuana for  
27           therapeutic use pursuant to R.S. 40:1046 et seq. and adult-use cannabis pursuant to  
28           the pilot program, and the limitation on no more than a total of two licensees

1 authorized pursuant to R.S. 40:1046 et seq. to cultivate, extract, process, produce,  
2 and transport marijuana.

3 K. Notwithstanding any local ordinance to the contrary, in any parish where  
4 a therapeutic use marijuana retail location, cultivator, or laboratory is authorized in  
5 accordance with R.S. 40:1046 et seq. and approved by the department to operate  
6 consistent with the local zoning code, participation in the pilot program is deemed  
7 a permissible continuation of existing lawful use under current zoning classifications  
8 and shall not be considered a new or materially different use or change of use under  
9 any local zoning code, regardless of whether such use is explicitly addressed or silent  
10 in the applicable ordinance.

11 L. The pilot program shall commence January 1, 2027, and terminate July  
12 1, 2030.

13 Section 2. R.S. 47:305.2(B)(11) is hereby amended and reenacted to read as follows:

14 §305.2. Exemption; medical

15 \* \* \*

16 B. The following items shall be exempt from the sales and use tax imposed  
17 by any taxing authority:

18 \* \* \*

19 (11) The sale of marijuana recommended for therapeutic use by qualified  
20 patients as defined in ~~R.S. 40:1046~~. R.S. 40:1046; however, this exemption does not  
21 apply to any other "retail sale" or "sale at retail" of marijuana authorized by law.

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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)]

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HB 373 Original

2026 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 may be known and 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 restricts the authority to sell adult-use cannabis to the existing retailer permit holders 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, no later than 90 days before the commencement of the pilot program, for 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 authorizes a retail location 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, the retail permitted holder will be prohibited by LDH from participating 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, 2027. Further requires LDH to subsequently issue pilot program permits on July 1st of each year.

Proposed law provides that permits are effective for a period of one year and further provides, upon each annual renewal period, for a pilot program permit in force to 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. 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 for commencement of the pilot program on Jan. 1, 2027 and termination on July 1, 2030.

Present law provides that the sale of medical marijuana is exempt 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.

(Amends R.S. 47:305.2(B)(11); Adds R.S. 40:1048)