

SENATE BILL NO. 271

BY SENATOR MILLS AND REPRESENTATIVES BAGNERIS, CHAD BROWN,
GARY CARTER, ROBBY CARTER, FALCONER, GLOVER,
HAVARD, HUNTER, HUVAL, JAMES, JONES, TERRY LANDRY,
LEBAS, MAGEE, MARCELLE, MORENO, NORTON, PIERRE AND
SMITH

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AN ACT

To amend and reenact R.S. 40:1046 and to enact R.S. 40:1047, relative to medical marijuana; to provide for physician requirements; to provide for definitions; to provide for rulemaking requirements; to provide for responsibilities of certain licensing boards and agencies; to provide for criminal background history; to provide for enactment of provisions upon reclassification by the United States Drug Enforcement Administration; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 40:1046 is hereby amended and reenacted and R.S. 40:1047 is hereby enacted to read as follows:

§1046. ~~Prescription~~ **Recommendation** of marijuana for therapeutic use; rules and regulations; Louisiana Board of Pharmacy and the adoption of rules and regulations relating to the dispensing of ~~prescribed~~ **recommended** marijuana for therapeutic use; the Department of Agriculture and Forestry and the licensure of a production facility

A.**(1)** Notwithstanding any other provision of this Part, a physician licensed

1 by and in good standing with the Louisiana State Board of Medical Examiners
 2 to practice medicine in this state and who is domiciled in this state may prescribe
 3 recommend, in any form as permitted by the rules and regulations of the Louisiana
 4 Board of Pharmacy except for inhalation, and raw or crude marijuana,
 5 tetrahydrocannabinols, or a chemical derivative of tetrahydrocannabinols for
 6 therapeutic use by patients clinically diagnosed as suffering from a debilitating
 7 medical condition ~~glaucoma, symptoms resulting from the administration of~~
 8 ~~chemotherapy cancer treatment, and spastic quadriplegia in accordance with rules~~
 9 ~~and regulations promulgated by the Louisiana State Board of Medical Examiners.~~
 10 ~~The Louisiana State Board of Medical Examiners shall submit to the Senate and~~
 11 ~~House committees on health and welfare on an annual basis not less than sixty days~~
 12 ~~prior to the beginning of the regular session of the legislature a report as to any~~
 13 ~~additional diseases or medical conditions that should be added to the list of eligible~~
 14 ~~diseases and conditions for prescription.~~

15 (2)(a) For purposes of this Subsection, "debilitating medical condition"
 16 means cancer, positive status for human immunodeficiency virus, acquired
 17 immune deficiency syndrome, cachexia or wasting syndrome, seizure disorders,
 18 epilepsy, spasticity, Crohn's disease, muscular dystrophy, or multiple sclerosis.

19 (b) If the United States Food and Drug Administration approves the use
 20 of medical marijuana in the same form provided for in this Part for any
 21 debilitating medical condition specifically identified in this Paragraph, that
 22 medical condition shall no longer be covered by the provisions of this Part.

23 (c) If the United States Food and Drug Administration approves the use
 24 of medical marijuana in a form or derivative different than provided for in this
 25 Part for any debilitating medical condition specifically identified in this
 26 Paragraph, the disease state shall remain covered by the provisions of this Part.
 27 The patient shall first be treated by the approved form or derivative of medical
 28 marijuana through utilization of step therapy or fail first protocols. If, after use
 29 of the United States Food and Drug Administration approved form or
 30 derivative of medical marijuana, the physician determines that the preferred

1 treatment required under step therapy or fail first protocol has been ineffective
 2 in the treatment of the patient's debilitating medical condition, he may
 3 recommend the form of medical marijuana provided for in this Part for use by
 4 the patient as medically necessary.

5 (3) For purposes of this Part, "recommend" or "recommended" means
 6 an order from a physician domiciled in Louisiana and licensed and in good
 7 standing with the Louisiana Board of Medical Examiners and authorized by the
 8 board to recommend medical marijuana that is patient-specific and
 9 disease-specific in accordance with Paragraph (2) of this Subsection, and is
 10 communicated by any means allowed by the Louisiana Board of Pharmacy to
 11 a Louisiana-licensed pharmacist in a Louisiana-permitted dispensing pharmacy
 12 as described in Subsection G of this Section, and is preserved on file as required
 13 by Louisiana law or federal law regarding medical marijuana.

14 (4) Physicians shall recommend use of medical marijuana for treatment
 15 of debilitating medical conditions in accordance with rules and regulations
 16 promulgated by the Louisiana State Board of Medical Examiners.

17 (5) The Louisiana State Board of Medical Examiners shall submit to the
 18 Senate and House committees on health and welfare on an annual basis not less
 19 than sixty days prior to the beginning of the regular session of the legislature a
 20 report as to any additional diseases or medical conditions that should be added
 21 to the list of eligible diseases and conditions for recommendation.

22 B. The Louisiana State Board of Medical Examiners shall promulgate rules
 23 and regulations authorizing physicians licensed to practice in this state to ~~prescribe~~
 24 recommend marijuana for therapeutic use by patients as described in Subsection A
 25 of this Section ~~no later than January 1, 2016.~~ Any rules published by the Louisiana
 26 State Board of Medical Examiners on or before January 1, 2016, that describe
 27 the physician's authority to prescribe should be repromulgated to indicate that
 28 he is "recommending" use of therapeutic marijuana.

29 C.(1) The Louisiana Board of Pharmacy shall adopt rules relating to the
 30 dispensing of ~~prescribed~~ recommended marijuana for therapeutic use ~~no later than~~

1 December 1, 2016. Any rules published by the Louisiana Board of Pharmacy on
 2 or before January 1, 2016, that describe the pharmacist as dispensing medical
 3 marijuana based on a physician's prescription should be repromulgated to
 4 indicate that the physician is "recommending" use of therapeutic marijuana.

5 ~~The Louisiana Board of Pharmacy shall seek input from groups including but not~~
 6 ~~limited to the following:~~

7 ~~(a) The Louisiana District Attorneys Association.~~

8 ~~(b) Professional law enforcement associations, organizations, and~~
 9 ~~commissions.~~

10 (2) The rules shall include but not be limited to:

11 (a) Standards, procedures, and protocols for the effective use of ~~prescribed~~
 12 recommended marijuana for therapeutic use as authorized by state law and related
 13 rules and regulations.

14 (b) Standards, procedures, and protocols for the dispensing and tracking of
 15 ~~prescribed~~ recommended therapeutic marijuana in Louisiana.

16 (c) Procedures and protocols to provide that no ~~prescribed~~ recommended
 17 therapeutic marijuana may be dispensed from, produced from, obtained from, sold
 18 to, or transferred to a location outside of this state.

19 (d) The establishment of standards, procedures, and protocols for determining
 20 the amount of usable ~~prescribed~~ recommended therapeutic marijuana that is
 21 necessary to constitute an adequate supply to ensure uninterrupted availability for a
 22 period of one month, including amounts for topical treatments.

23 (e) The establishment of standards, procedures, and protocols to ensure that
 24 all ~~prescribed~~ recommended therapeutic marijuana dispensed is consistently
 25 pharmaceutical grade.

26 (f) The establishment of standards and procedures for the revocation,
 27 suspension, and nonrenewal of licenses.

28 (g) The establishment of other licensing, renewal, and operational standards
 29 which are deemed necessary by the Louisiana Board of Pharmacy.

30 (h) The establishment of standards and procedures for testing ~~prescribed~~

1 **recommended** therapeutic marijuana samples for levels of tetrahydrocannabinol
2 (THC) or other testing parameters deemed appropriate by the Louisiana Board of
3 Pharmacy.

4 (i) The establishment of health, safety, and security requirements for
5 dispensers of ~~prescribed~~ **recommended** therapeutic marijuana.

6 (j) Licensure of dispensers of ~~prescribed~~ **recommended** therapeutic
7 marijuana.

8 (k) The establishment of financial requirements for applicants of therapeutic
9 marijuana dispensing pharmacy license under which each applicant demonstrates the
10 following:

11 (i) The financial capacity to operate a therapeutic marijuana dispensing
12 pharmacy.

13 (ii) The ability to maintain an escrow account in a financial institution
14 headquartered in Louisiana in an amount of two million dollars, if required by the
15 Louisiana Board of Pharmacy.

16 ~~D. The Louisiana Board of Pharmacy shall submit a report to the legislature~~
17 ~~no later than January 1, 2016, with recommendations on possible fee amounts~~
18 ~~relative to the provisions of this Section.~~

19 ~~E. All rules shall be adopted in accordance with the provisions of the~~
20 ~~Administrative Procedure Act.~~

21 ~~F.D.~~ Nothing in this Section shall be construed to prohibit the Louisiana State
22 Board of Medical Examiners or the Louisiana Board of Pharmacy from adopting
23 emergency rules as otherwise provided for in the Administrative Procedure Act.

24 ~~G.E.~~ Marijuana, tetrahydrocannabinols, or a chemical derivative of
25 tetrahydrocannabinols ~~prescribed~~ **recommended** pursuant to this Section shall be
26 dispensed in person from a licensed pharmacy in good standing located in Louisiana.

27 ~~H.F.~~ A ~~prescriber and dispenser of~~ **person who recommends and person**
28 **who dispenses** marijuana, tetrahydrocannabinols, or a chemical derivative of
29 tetrahydrocannabinols pursuant to this Section shall review the patient's information
30 in the Prescription Monitoring Program database prior to the ~~prescribing~~

1 recommending and dispensing thereof.

2 ~~±G.~~ The Louisiana Board of Pharmacy shall develop an annual,
3 nontransferable specialty license for a pharmacy to dispense ~~prescribed~~
4 recommended marijuana for therapeutic use and shall limit the number of such
5 licenses granted in the state to no more than ten licensees. The Louisiana Board of
6 Pharmacy shall develop rules and regulations regarding the geographical locations
7 of dispensing pharmacies in Louisiana.

8 ~~±(±) H.(1)(a)~~ The Department of Agriculture and Forestry shall develop the
9 rules and regulations regarding the extraction, processing, and production of
10 ~~prescribed~~ recommended therapeutic marijuana and the facility producing
11 therapeutic marijuana. The rules and regulations shall include but not be limited
12 to both of the following minimum standards:

13 (i) In order to mitigate the risk of bacterial contamination, food-grade
14 ethanol extraction shall be used.

15 (ii) The extraction and refining process shall produce a product that is
16 food safe and capable of producing pharmaceutical-grade products.

17 (b) The rules and regulations shall also include but not be limited to the
18 procedures for application, qualifications, eligibility, background checks, and
19 standards for suitability for a license and penalties for violations of the rules and
20 regulations.

21 (2)(a) The Department of Agriculture and Forestry shall develop an annual,
22 nontransferable specialty license for the production of ~~prescribed~~ recommended
23 marijuana for therapeutic use, ~~and~~ Other than the licenses granted pursuant to
24 Subparagraph (b) of this Paragraph, the Department of Agriculture and
25 Forestry shall limit the number of such licenses granted in the state to no more than
26 one licensee. The Louisiana State University Agricultural Center and the Southern
27 University Agricultural Center shall have the right of first refusal to be licensed as
28 the production facility, either separately or jointly. If neither of the centers exercise
29 this option, the license shall be awarded pursuant to the requirements provided for
30 in Paragraphs (3) through (5) of this Subsection.

1 **(b) Prior to September 1, 2016, the Louisiana State University**
2 **Agricultural Center and the Southern University Agricultural Center shall each**
3 **provide written notice to the commissioner of agriculture and forestry of their**
4 **intent to be licensed as a production facility, either separately or jointly.**

5 **(c) The Louisiana State University Agricultural Center or the Southern**
6 **University Agricultural Center may conduct research on marijuana for**
7 **therapeutic use if the center is licensed as a production facility pursuant to this**
8 **Section.**

9 (3) The license shall be limited to one geographic location as provided for in
10 rule by the Department of Agriculture and Forestry. The geographic location shall
11 be a public record subject to disclosure under the Public Records Law, R.S. 44:1 et
12 seq. The licensee shall permit inspection of the production facility by any elected
13 member of the Louisiana Legislature upon request after receipt of reasonable notice.

14 (4)(a) The Department of Agriculture and Forestry shall grant the license
15 pursuant to a contract awarded through a competitive sealed bid or a competitive
16 sealed proposal as provided for in R.S. 39:1594 and 1595. The contract for the
17 license shall be subject to the Louisiana Procurement Code and shall not be subject
18 to any exceptions to or other variances from the Louisiana Procurement Code. The
19 contract shall not be awarded under the sole source procurement provisions provided
20 for in R.S. 39:1597.

21 (b) Any contract for the license awarded pursuant to this Subsection shall not
22 exceed five years.

23 (c) Any contract, memorandum of understanding, or cooperative endeavor
24 agreement entered into pursuant to this Section shall be a public record subject to
25 disclosure under the Public Records Law, R.S. 44:1 et seq.

26 (d) Any contract, memorandum of understanding, or cooperative endeavor
27 agreement entered into for services for the cultivation or processing in any way of
28 marijuana pursuant to this Section shall be a public record subject to disclosure under
29 the Public Records Law, R.S. 44:1 et seq.

30 (e) No person licensed pursuant to this Subsection shall subcontract for

1 services for the cultivation or processing in any way of marijuana if the
2 subcontractor, or any of the service providers in the chain of subcontractors, is
3 owned wholly or in part by any state employee or member of a state employee's
4 immediate family, including but not limited to any legislator, statewide public
5 official, university or community or technical college employee, Louisiana State
6 University Agricultural Center employee, or Southern University Agricultural Center
7 employee. For the purposes of this Paragraph, "immediate family" has the same
8 meaning as provided in R.S. 42:1102.

9 (f) Any bid for the license awarded pursuant to this Subsection shall include
10 proof of the financial capability of the bidder to operate a therapeutic marijuana
11 production facility including but not limited to a net worth of not less than one
12 million dollars.

13 (5) No person licensed pursuant to this Subsection shall give or receive
14 anything of value in connection with any contract, memorandum of understanding,
15 or cooperative endeavor agreement executed pursuant to this Subsection except the
16 value that is expressed in the contract, memorandum of understanding, or
17 cooperative endeavor agreement.

18 (6)(a) The Department of Agriculture shall collect the following information
19 from each licensee:

20 (i) The amount of gross marijuana produced by the licensee during each
21 calendar year.

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

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

26 (iv) The amount of therapeutic chemicals produced resulting from the
27 marijuana grown pursuant to this Section.

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

30 (vi) The amount of therapeutic marijuana distributed to each pharmacy

1 licensed to dispense therapeutic marijuana in this state during each calendar year.

2 (b) The Department of Agriculture and Forestry shall provide the information
3 collected pursuant to this Paragraph for the previous calendar year in the form of a
4 written report to the Louisiana Legislature no later than February first of each year.
5 The department shall also make a copy of the report required by this Subparagraph
6 available to the public on the Internet.

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

12 ~~(8) The Department of Agriculture and Forestry shall submit a report to the~~
13 ~~legislature no later than January 1, 2016, with recommendations on possible fee~~
14 ~~amounts relative to the provisions of this Section.~~

15 ~~K.I.~~ The levels of THC in any marijuana produced pursuant to this Section
16 shall be reduced to the lowest acceptable therapeutic levels available through
17 scientifically accepted methods.

18 ~~L.J.~~ The provisions of this Section shall terminate on January 1, 2020.

19 **§1047. Louisiana Department of Agriculture and Forestry; authorization to**
20 **obtain criminal history record information**

21 **A. As used in this Section, the following terms shall have the following**
22 **meaning:**

23 **(1) "Applicant" means a natural person, a corporation, limited liability**
24 **company, partnership, joint stock association, sole proprietorship, joint**
25 **venture, business association, cooperative association, professional corporation**
26 **or any other legal entity or organization through which business is conducted.**

27 **(2) "Bureau" means the Louisiana Bureau of Criminal Identification and**
28 **Information of the office of state police within the Department of Public Safety**
29 **and Corrections.**

30 **(3) "Criminal history record information" means information collected**

1 by state and federal criminal justice agencies on individuals consisting of
2 identifiable descriptions and notations of arrests, detentions, indictments, bills
3 of information, or any formal criminal charges, and any disposition arising
4 therefrom, including sentencing, criminal correctional supervision, and release.
5 It shall not include intelligence information gathered for investigatory purposes
6 or any identification information which does not indicate involvement of the
7 individual in the criminal justice system.

8 (4) "Department" means Louisiana Department of Agriculture and
9 Forestry.

10 (5) "FBI" means the Federal Bureau of Investigation of the United States
11 Department of Justice.

12 (6) "Licensure" means any license or permit that the department is
13 authorized to issue for the production of recommended therapeutic marijuana
14 and the facility producing therapeutic marijuana.

15 B. In addition to any other requirements established by department
16 rules, the department shall require an applicant, as a condition of eligibility for
17 licensure:

18 (1) To submit a full set of fingerprints, in a form and manner prescribed
19 by the department.

20 (2) To permit the department to request and obtain state and national
21 criminal history record information on the applicant.

22 (3) To pay the reasonable costs to be incurred by the department in
23 requesting and obtaining state and national criminal history record information
24 on the applicant.

25 C. In accordance with the provisions and procedure prescribed by this
26 Section, the department shall request and obtain state and national criminal
27 history record information from the bureau and the FBI relative to any
28 applicant for licensure whose fingerprints the department has obtained
29 pursuant to this Section for the purpose of determining the applicant's
30 suitability and eligibility for licensure.

1 D. Upon request by the department and upon submission of an
 2 applicant's fingerprints, and such other identifying information as may be
 3 required, the bureau shall survey its criminal history records and identification
 4 files and make a simultaneous request of the FBI for like information from
 5 other jurisdictions. The bureau may charge the department a reasonable
 6 processing fee for conducting and reporting on any such search.

7 E. Any and all state or national criminal history record information
 8 obtained by the department from the bureau or FBI which is not already a
 9 matter of public record shall be deemed nonpublic and confidential information
 10 restricted to the exclusive use by the department in evaluating the applicant's
 11 eligibility or disqualification for licensure. No such information or records
 12 related thereto shall, except with the written consent of the applicant or by
 13 order of a court of competent jurisdiction, be released or otherwise disclosed by
 14 the department to any other person or agency.

15 Section 2. R.S. 40:1046 is hereby amended and reenacted to read as follows:

16 §1046. Prescription of marijuana for therapeutic use; rules and regulations;
 17 Louisiana Board of Pharmacy and the adoption of rules and
 18 regulations relating to the dispensing of prescribed marijuana for
 19 therapeutic use; the Department of Agriculture and Forestry and the
 20 licensure of a production facility

21 A.~~(1)~~ Notwithstanding any other provision of this Part, a physician licensed
 22 by and in good standing with the Louisiana State Board of Medical Examiners
 23 to practice medicine in this state and who is domiciled in this state may prescribe,
 24 in any form as permitted by the rules and regulations of the Louisiana Board of
 25 Pharmacy except for inhalation, and raw or crude marijuana, tetrahydrocannabinols,
 26 or a chemical derivative of tetrahydrocannabinols for therapeutic use by patients
 27 clinically diagnosed as suffering from a debilitating medical condition ~~glaucoma,~~
 28 ~~symptoms resulting from the administration of chemotherapy cancer treatment, and~~
 29 ~~spastic quadriplegia in accordance with rules and regulations promulgated by the~~
 30 Louisiana State Board of Medical Examiners. The Louisiana State Board of Medical

1 Examiners shall submit to the Senate and House committees on health and welfare
2 on an annual basis not less than sixty days prior to the beginning of the regular
3 session of the legislature a report as to any additional diseases or medical conditions
4 that should be added to the list of eligible diseases and conditions for prescription.

5 **(2)(a) For purposes of this Subsection, "debilitating medical condition"**
6 **means cancer, positive status for human immunodeficiency virus, acquired**
7 **immune deficiency syndrome, cachexia or wasting syndrome, seizure disorders,**
8 **epilepsy, spasticity, Crohn's disease, muscular dystrophy, or multiple sclerosis.**

9 **(b) If the United States Food and Drug Administration approves the use**
10 **of medical marijuana in the same form provided for in this Part for any**
11 **debilitating medical condition specifically identified in this Paragraph, that**
12 **medical condition shall no longer be covered by the provisions of this Part.**

13 **(c) If the United States Food and Drug Administration approves the use**
14 **of medical marijuana in a form or derivative different than provided for in this**
15 **Part for any debilitating medical condition specifically identified in this**
16 **Paragraph, the disease state shall remain covered by the provisions of this Part.**
17 **The patient shall first be treated by the approved form or derivative of medical**
18 **marijuana through utilization of step therapy or fail first protocols. If, after use**
19 **of the United States Food and Drug Administration approved form or**
20 **derivative of medical marijuana, the physician determines that the preferred**
21 **treatment required under step therapy or fail first protocol has been ineffective**
22 **in the treatment of the patient's debilitating medical condition, he may**
23 **prescribe the form of medical marijuana provided for in this Part for use by the**
24 **patient as medically necessary.**

25 **(3) For purposes of this Part, "prescribe" or "prescription" means an**
26 **order from a physician domiciled in Louisiana and licensed and in good**
27 **standing with the Louisiana Board of Medical Examiners and authorized by the**
28 **board to prescribe medical marijuana that is patient-specific and**
29 **disease-specific in accordance with Paragraph (2) of this Subsection, and is**
30 **communicated by any means allowed by the Louisiana Board of Pharmacy to**

1 a Louisiana-licensed pharmacist in a Louisiana-permitted dispensing pharmacy
2 as described in Subsection G of this Section, and is preserved on file as required
3 by Louisiana law or federal law regarding medical marijuana.

4 (4) Physicians shall prescribe the use of medical marijuana for treatment
5 of debilitating medical conditions in accordance with rules and regulations
6 promulgated by the Louisiana State Board of Medical Examiners.

7 (5) The Louisiana State Board of Medical Examiners shall submit to the
8 Senate and House committees on health and welfare on an annual basis not less
9 than sixty days prior to the beginning of the regular session of the legislature a
10 report as to any additional diseases or medical conditions that should be added
11 to the list of eligible diseases and conditions for recommendation.

12 B. The Louisiana State Board of Medical Examiners shall promulgate rules
13 and regulations authorizing physicians licensed to practice in this state to prescribe
14 marijuana for therapeutic use by patients as described in Subsection A of this Section
15 no later than January 1, 2016.

16 C.(1) The Louisiana Board of Pharmacy shall adopt rules relating to the
17 dispensing of prescribed marijuana for therapeutic use ~~no later than December 1,~~
18 ~~2016.~~ The Louisiana Board of Pharmacy shall seek input from groups including but
19 not limited to the following:

20 ~~(a) The Louisiana District Attorneys Association.~~

21 ~~(b) Professional law enforcement associations, organizations, and~~
22 ~~commissions.~~

23 (2) The rules shall include but not be limited to:

24 (a) Standards, procedures, and protocols for the effective use of prescribed
25 marijuana for therapeutic use as authorized by state law and related rules and
26 regulations.

27 (b) Standards, procedures, and protocols for the dispensing and tracking of
28 prescribed therapeutic marijuana in Louisiana.

29 (c) Procedures and protocols to provide that no prescribed therapeutic
30 marijuana may be dispensed from, produced from, obtained from, sold to, or

1 transferred to a location outside of this state.

2 (d) The establishment of standards, procedures, and protocols for determining
3 the amount of usable prescribed therapeutic marijuana that is necessary to constitute
4 an adequate supply to ensure uninterrupted availability for a period of one month,
5 including amounts for topical treatments.

6 (e) The establishment of standards, procedures, and protocols to ensure that
7 all prescribed therapeutic marijuana dispensed is consistently pharmaceutical grade.

8 (f) The establishment of standards and procedures for the revocation,
9 suspension, and nonrenewal of licenses.

10 (g) The establishment of other licensing, renewal, and operational standards
11 which are deemed necessary by the Louisiana Board of Pharmacy.

12 (h) The establishment of standards and procedures for testing prescribed
13 therapeutic marijuana samples for levels of tetrahydrocannabinol (THC) or other
14 testing parameters deemed appropriate by the Louisiana Board of Pharmacy.

15 (i) The establishment of health, safety, and security requirements for
16 dispensers of prescribed therapeutic marijuana.

17 (j) Licensure of dispensers of prescribed therapeutic marijuana.

18 (k) The establishment of financial requirements for applicants of therapeutic
19 marijuana dispensing pharmacy license under which each applicant demonstrates the
20 following:

21 (i) The financial capacity to operate a therapeutic marijuana dispensing
22 pharmacy.

23 (ii) The ability to maintain an escrow account in a financial institution
24 headquartered in Louisiana in an amount of two million dollars, if required by the
25 Louisiana Board of Pharmacy.

26 ~~D. The Louisiana Board of Pharmacy shall submit a report to the legislature~~
27 ~~no later than January 1, 2016, with recommendations on possible fee amounts~~
28 ~~relative to the provisions of this Section.~~

29 ~~E. All rules shall be adopted in accordance with the provisions of the~~
30 ~~Administrative Procedure Act.~~

1 ~~F.D.~~ Nothing in this Section shall be construed to prohibit the Louisiana State
2 Board of Medical Examiners or the Louisiana Board of Pharmacy from adopting
3 emergency rules as otherwise provided for in the Administrative Procedure Act.

4 ~~G.E.~~ Marijuana, tetrahydrocannabinols, or a chemical derivative of
5 tetrahydrocannabinols prescribed pursuant to this Section shall be dispensed in
6 person from a licensed pharmacy in good standing located in Louisiana.

7 ~~H.F.~~ A prescriber and dispenser of marijuana, tetrahydrocannabinols, or a
8 chemical derivative of tetrahydrocannabinols pursuant to this Section shall review
9 the patient's information in the Prescription Monitoring Program database prior to
10 the prescribing and dispensing thereof.

11 ~~I.G.~~ The Louisiana Board of Pharmacy shall develop an annual,
12 nontransferable specialty license for a pharmacy to dispense prescribed marijuana
13 for therapeutic use and shall limit the number of such licenses granted in the state to
14 no more than ten licensees. The Louisiana Board of Pharmacy shall develop rules
15 and regulations regarding the geographical locations of dispensing pharmacies in
16 Louisiana.

17 ~~J.(1)~~ **H.(1)(a)** The Department of Agriculture and Forestry shall develop the
18 rules and regulations regarding the **extraction, processing, and** production of
19 prescribed therapeutic marijuana and the facility producing therapeutic marijuana.
20 The rules and regulations shall include but **not be limited to both of the following**
21 **minimum standards:**

22 **(i) In order to mitigate the risk of bacterial contamination, food-grade**
23 **ethanol extraction shall be used.**

24 **(ii) The extraction and refining process shall produce a product that is**
25 **food safe and capable of producing pharmaceutical-grade products.**

26 **(b) The rules and regulations shall also include but** not be limited to the
27 procedures for application, qualifications, eligibility, background checks, and
28 standards for suitability for a license and penalties for violations of the rules and
29 regulations.

30 ~~(2)~~**(a)** The Department of Agriculture and Forestry shall develop an annual,

1 nontransferable specialty license for the production of prescribed marijuana for
2 therapeutic use, and Other than the licenses granted pursuant to Subparagraph
3 (b) of this Paragraph, the Department of Agriculture and Forestry shall limit the
4 number of such licenses granted in the state to no more than one licensee. The
5 Louisiana State University Agricultural Center and the Southern University
6 Agricultural Center shall have the right of first refusal to be licensed as the
7 production facility, either separately or jointly. If neither of the centers exercise this
8 option, the license shall be awarded pursuant to the requirements provided for in
9 Paragraphs (3) through (5) of this Subsection.

10 (b) Prior to September 1, 2016, the Louisiana State University
11 Agricultural Center and the Southern University Agricultural Center shall each
12 provide written notice to the commissioner of agriculture and forestry of their
13 intent to be licensed as a production facility, either separately or jointly.

14 (3) The license shall be limited to one geographic location as provided for in
15 rule by the Department of Agriculture and Forestry. The geographic location shall
16 be a public record subject to disclosure under the Public Records Law, R.S. 44:1 et
17 seq. The licensee shall permit inspection of the production facility by any elected
18 member of the Louisiana Legislature upon request after receipt of reasonable notice.

19 (4)(a) The Department of Agriculture and Forestry shall grant the license
20 pursuant to a contract awarded through a competitive sealed bid or a competitive
21 sealed proposal as provided for in R.S. 39:1594 and 1595. The contract for the
22 license shall be subject to the Louisiana Procurement Code and shall not be subject
23 to any exceptions to or other variances from the Louisiana Procurement Code. The
24 contract shall not be awarded under the sole source procurement provisions provided
25 for in R.S. 39:1597.

26 (b) Any contract for the license awarded pursuant to this Subsection shall not
27 exceed five years.

28 (c) Any contract, memorandum of understanding, or cooperative endeavor
29 agreement entered into pursuant to this Section shall be a public record subject to
30 disclosure under the Public Records Law, R.S. 44:1 et seq.

1 (d) Any contract, memorandum of understanding, or cooperative endeavor
2 agreement entered into for services for the cultivation or processing in any way of
3 marijuana pursuant to this Section shall be a public record subject to disclosure under
4 the Public Records Law, R.S. 44:1 et seq.

5 (e) No person licensed pursuant to this Subsection shall subcontract for
6 services for the cultivation or processing in any way of marijuana if the
7 subcontractor, or any of the service providers in the chain of subcontractors, is
8 owned wholly or in part by any state employee or member of a state employee's
9 immediate family, including but not limited to any legislator, statewide public
10 official, university or community or technical college employee, Louisiana State
11 University Agricultural Center employee, or Southern University Agricultural Center
12 employee. For the purposes of this Paragraph, "immediate family" has the same
13 meaning as provided in R.S. 42:1102.

14 (f) Any bid for the license awarded pursuant to this Subsection shall include
15 proof of the financial capability of the bidder to operate a therapeutic marijuana
16 production facility including but not limited to a net worth of not less than one
17 million dollars.

18 (5) No person licensed pursuant to this Subsection shall give or receive
19 anything of value in connection with any contract, memorandum of understanding,
20 or cooperative endeavor agreement executed pursuant to this Subsection except the
21 value that is expressed in the contract, memorandum of understanding, or
22 cooperative endeavor agreement.

23 (6)(a) The Department of Agriculture shall collect the following information
24 from each licensee:

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

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

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

1 (iv) The amount of therapeutic chemicals produced resulting from the
2 marijuana grown pursuant to this Section.

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

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

7 (b) The Department of Agriculture and Forestry shall provide the information
8 collected pursuant to this Paragraph for the previous calendar year in the form of a
9 written report to the Louisiana Legislature no later than February first of each year.
10 The department shall also make a copy of the report required by this Subparagraph
11 available to the public on the Internet.

12 (7) No company that has made a contribution to a candidate in a Louisiana
13 election governed by the provisions of the Campaign Finance Disclosure Act within
14 the five years prior to bidding for the license, or is controlled wholly or in part by a
15 person who made such a contribution within the five years prior to the company
16 bidding for the license, may be eligible for the license.

17 ~~(8) The Department of Agriculture and Forestry shall submit a report to the~~
18 ~~legislature no later than January 1, 2016, with recommendations on possible fee~~
19 ~~amounts relative to the provisions of this Section.~~

20 ~~K.I.~~ The levels of THC in any marijuana produced pursuant to this Section
21 shall be reduced to the lowest acceptable therapeutic levels available through
22 scientifically accepted methods.

23 ~~L.J.~~ The provisions of this Section shall terminate on January 1, 2020.

24 Section 3. This Section and Section 1 of this Act shall become effective upon
25 signature by the governor or, if not signed by the governor, upon expiration of the time for
26 bills to become law without signature by the governor, as provided by Article III, Section
27 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved
28 by the legislature, this Act shall become effective on the day following such approval.

29 Section 4. This Section and Section 2 of this Act shall become effective and become
30 operative if and when the United States Drug Enforcement Administration reclassifies

1 marijuana from a Schedule I drug to a Schedule II drug under the authority of the Controlled
2 Substances Act, 21 U.S.C. §801 et seq., at which time the provisions of Section 1 of this Act
3 amending and reenacting R.S. 40:1046 shall become null and void and of no effect.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____