

**House Committee on Agriculture, Forestry, Aquaculture, and Rural Development
and
Senate Committee on Agriculture, Forestry, Aquaculture, and Rural Development**

Minutes of Meeting
2018 Regular Session
April 18, 2018

I. CALL TO ORDER

Representative Clay Schexnayder, chairman of the House Committee on Agriculture, Forestry, Aquaculture, and Rural Development, called the meeting to order at 9:00 a.m. in Room 3, in the state capitol in Baton Rouge, Louisiana.

II. ROLL CALL

HOUSE MEMBERS PRESENT:

Representative Clay Schexnayder, chairman
Representative John F. "Andy" Anders, vice chairman
Representative Terry R. Brown
Representative Charles R. Chaney
Representative Phillip R. DeVillier
Representative Jerry Gisclair
Representative John E. Guinn
Representative Jeffrey "Jeff" Hall
Representative Bob Hensgens
Representative Frank A. Howard
Representative Edmond Jordan
Representative H. Bernard LeBas
Representative Steve E. Pylant
Representative H. Eugene Reynolds
Representative John M. Stefanski

SENATE MEMBERS PRESENT:

Senator Francis C. Thompson, chairman
Senator James R. Fannin, vice chairman
Senator Gerald Long
Senator Neil Riser

HOUSE MEMBERS ABSENT:

Representative Ken Brass
Representative Julie Emerson
Representative Dorothy Sue Hill
Representative Dustin Miller

SENATE MEMBERS ABSENT:

Senator R.L. "Bret" Allain, II
Senator Barrow Peacock
Senator John R. Smith
Senator Mike Walsworth, ex officio

STAFF MEMBERS PRESENT:

Amanda Trapp, House legislative analyst
Karen Stephens, House secretary
Curry Johnson Lann, Senate attorney
Candace Shields, Senate secretary

ADDITIONAL ATTENDEES PRESENT:

Addison Nick, House clerk
Myrtis Jarrell, House sergeant at arms
Michaela Wells, House sergeant at arms
Glenn Antton, Senate sergeant at arms

III. DISCUSSION

Status Update on Louisiana's Medical Marijuana Program:

Dr. William Richardson, LSU Vice President for Agriculture / Dean of the College of Agriculture, no address provided, (225) 578-4161, explained how LSU came to be involved in the program and briefly outlined the procurement process. He stressed the importance of the transparency and security measures that LSU took in order to finally select G.B. Sciences as their third-party grower.

Mr. Hampton Grunewald, LSU AgCenter, no address provided, (225) 578-4161, gave an overview of the selection process of the third-party grower and their responsibilities, which included obtaining a facility, hiring personnel, and paying for all costs incurred in the growth, harvest, and production of the pharmaceutical products. He said G.B. Sciences must also build a 5,000 square foot

laboratory in order to facilitate cannabis research by staff of both LSU Health Sciences Centers (Shreveport and New Orleans) and the Pennington Biomedical Center.

Ms. Ashley Mullens, LSU AgCenter, no address provided, (225) 578-4161, explained the banking procedures that would be used for the program and stated that Chase Bank had agreed to provide those services.

Dr. Richardson stated his belief that the long-term potential for intellectual property related to cannabis research will be very lucrative for LSU and the state. He said that the growing process would begin very soon and products would probably be available in September, which would coincide with the availability of the pharmacies.

Senator Riser asked how the funds would be protected from seizure by the federal government. Ms. Mullens said that Chase Bank did not guarantee protection from seizure, but every effort was being made to make certain all paperwork was in order and the funds were not co-mingled with other state funds. She added that President Trump had recently stated his support for medical marijuana regulation at the state level.

Senator Long asked about pricing of the products. Ms. Mullens said that the LSU AgCenter would make every effort to keep the prices low, but ultimately the pricing would be determined at the pharmacy level.

Mr. John Davis, G.B. Sciences, 18350 Petroleum Drive, Baton Rouge, LA 70809, (225) 938-3305, spoke about his firm's qualifications and experience, as well as their business relationships with other states.

Discussion followed between several of the members, Dr. Richardson, and Mr. Davis, regarding the recreational marijuana market in other states and the fact that both recreational and medical marijuana is still illegal at the federal level, though many states have passed their own laws and regulations. Mr. Davis stated his belief that the U.S. Department of Justice would not prosecute those states, according to information provided to him by the U.S. Attorney for the Middle District of Louisiana.

Representative LeBas, a pharmacist of many years, spoke about the relative safety of medical marijuana as opposed to some of the pain medications currently on the market.

Representative Hensgens asked if the state was prohibited from transporting the products on federal highways within the state and if transportation match dollars would be at risk. Dr. Richardson said discussions were had with representatives of the state police and district attorneys' association but not with the state transportation officials. Representative Hensgens asked if there had been any discussions with transportation officials at the federal level. Mr. Grunewald said no, but he would look into the matter.

Representative Brass asked if LSU would be the sole owner of any intellectual property that was developed. Dr. Richardson said that a cooperative endeavor agreement would eventually be negotiated with G.B. Sciences with a fifty-fifty split, or better, on any royalties.

Representative Guinn asked if G.B. Sciences was privately or publicly owned. Mr. Davis said that the company was publicly owned and traded on the over-the-counter market where off-exchange trading is done directly between two parties, without the supervision of a stock exchange.

Representative Chaney asked if there were any other states whose universities were researching medical marijuana. Dr. Richardson said Louisiana was probably the only state with state universities actually growing the product, which was set up that way by the legislature, who did not want the process to be in private hands.

Dr. Bobby R. Phills, Chancellor of Southern University AgCenter / Dean of the College of Agricultural, Family and Consumer Sciences, P.O. Box 10010, Baton Rouge, LA 70813, (225) 771-2262, explained Southern University's program and briefly outlined the procurement process they used to select Advanced Biomedics, LLC as their third-party grower. He said the signed contract was sent to the Department of Agriculture and Forestry yesterday and background checks should be completed within thirty to forty-five days. He further stated that construction on the growing facility would soon begin and ultimately he expected products to be processed and ready for delivery to pharmacies by the end of February. Dr. Phills completed his remarks by thanking his colleagues, Dr. Janana Snowden and Mr. Winston DeCuir, for their hard work in getting the program up and running.

Commissioner Mike Strain, Department of Agriculture & Forestry, no address provided, no phone number provided, brought the members up to date on the rules and regulations promulgated by the department thus far. He said the department would soon ask for seed money to pay for the department's hard costs: payments to state police, the software tracking system, and laboratory expenses for the first year. Dr. Strain said he estimated expenses for the next twelve months to be \$1,489,000 and that the state would eventually be reimbursed.

Witness cards submitted by individuals who did not speak are as follows: 3 for information only. Witness cards are included in the committee records.

IV. OTHER BUSINESS

Approval of the 2018 First Extraordinary Session meeting minutes dated February 27, 2018.

The minutes from the 2018 First Extraordinary Session meeting dated February 27, 2018, were presented to the committees for approval. Senator Thompson offered a motion to approve the minutes. Without objection, the minutes were approved by a vote of 19 yeas and 0 nays. Representatives Schexnayder, Anders, Terry Brown, Chaney, DeVillier, Gisclair, Guinn, Hall,

Hensgens, Howard, Jordan, LeBas, Pylant, Reynolds, and Stefanski voted yea. Senators Thompson, Fannin, Long, and Riser voted yea.

V. ANNOUNCEMENTS

There were no announcements.

VI. ADJOURNMENT

The meeting was adjourned at 10:20 a.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Clay Schexnayder".

Chairman Clay Schexnayder
House Committee on Agriculture, Forestry, Aquaculture, and Rural Development

Date adopted: December 12, 2019