

By: Alvarado

S.B. No. 259

A BILL TO BE ENTITLED

AN ACT

relating to the possession, use, cultivation, distribution, transportation, and delivery of medical cannabis for use by patients as the best available medical treatment, the licensing of medical cannabis dispensing organizations, and the registration of certain individuals; authorizing fees.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle C, Title 6, Health and Safety Code, is amended by adding Chapter 487A to read as follows:

CHAPTER 487A. USE OF CANNABIS FOR MEDICAL PURPOSES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 487A.001. DEFINITIONS. In this chapter:

(1) "Department" means the Department of Public Safety.

(2) "Director" means the public safety director of the department.

(3) "Dispensing organization" means an organization licensed by the department to cultivate, process, and dispense medical cannabis to a patient for whom medical use is recommended under Chapter 169A, Occupations Code.

(4) "Medical cannabis" and "medical use" have the meanings assigned by Section 169A.001, Occupations Code.

SUBCHAPTER B. DUTIES OF DEPARTMENT

Sec. 487A.051. DUTIES OF DEPARTMENT. The department shall

1 administer this chapter.

2 Sec. 487A.052. RULES. (a) The director shall adopt any
3 rules necessary for the administration and enforcement of this
4 chapter.

5 (b) The director shall adopt rules imposing fees under this
6 chapter in amounts sufficient to cover the cost of administering
7 this chapter.

8 Sec. 487A.053. LICENSING OF DISPENSING ORGANIZATIONS AND
9 REGISTRATION OF CERTAIN ASSOCIATED INDIVIDUALS. (a) The
10 department shall:

11 (1) issue or renew a license under Subchapter C to
12 operate as a dispensing organization to each applicant who
13 satisfies the requirements established under this chapter for
14 licensure as a dispensing organization; and

15 (2) register directors, managers, and employees under
16 Subchapter D of each dispensing organization.

17 (b) Subject to Section [411.503](#), Government Code, the
18 department shall enforce compliance of license holders and
19 registrants and shall adopt procedures for renewing a license or
20 registration issued under this chapter and for suspending or
21 revoking a license or registration issued under this chapter.

22 Sec. 487A.054. MEDICAL USE REGISTRY. (a) The department
23 shall establish and maintain a secure online medical use registry
24 that contains:

25 (1) the name of each physician who registers as the
26 physician recommending medical use for a patient under Section
27 169A.003, Occupations Code, and the name and date of birth of the

1 patient; and

2 (2) the amount of medical cannabis dispensed to each
3 patient.

4 (b) The department shall ensure the registry:

5 (1) is designed to prevent more than one physician
6 from registering as the physician recommending medical use for a
7 single patient;

8 (2) is accessible to law enforcement agencies and
9 dispensing organizations for the purpose of verifying whether an
10 individual is a patient for whom medical use is recommended under
11 Chapter 169A, Occupations Code; and

12 (3) allows a physician recommending medical use under
13 Chapter 169A, Occupations Code, to input safety and efficacy data
14 derived from the treatment of patients for whom medical use is
15 recommended.

16 SUBCHAPTER C. LICENSING TO OPERATE AS DISPENSING ORGANIZATION

17 Sec. 487A.101. LICENSE REQUIRED. A person may not operate a
18 dispensing organization unless the person holds a license issued by
19 the department under this subchapter.

20 Sec. 487A.102. ELIGIBILITY FOR LICENSE. An applicant for a
21 license to operate a dispensing organization is eligible for the
22 license if:

23 (1) as determined by the department, the applicant
24 possesses:

25 (A) the technical and technological ability to
26 cultivate and produce medical cannabis;

27 (B) the ability to secure:

1 (i) the resources and personnel necessary
2 to operate as a dispensing organization; and

3 (ii) premises reasonably located to allow
4 patients listed on the medical use registry access to the
5 organization through existing infrastructure;

6 (C) the ability to maintain accountability for
7 the raw materials, the finished product, and any by-products used
8 or produced in the cultivation or production of medical cannabis to
9 prevent unlawful access to or unlawful diversion or possession of
10 those materials, products, or by-products; and

11 (D) the financial ability to maintain operations
12 until at least the second anniversary of the application date;

13 (2) each director, manager, or employee of the
14 applicant is registered under Subchapter D; and

15 (3) the applicant satisfies any additional criteria
16 the director determines necessary to safely implement this chapter.

17 Sec. 487A.103. APPLICATION. (a) A person may apply for an
18 initial or renewal license under this subchapter by submitting a
19 form prescribed by the department along with the application fee in
20 an amount set by the director.

21 (b) The application must include the name and address of the
22 applicant, the name and address of each of the applicant's
23 directors, managers, and employees, and any other information the
24 department considers necessary to determine the applicant's
25 eligibility for the license.

26 Sec. 487A.104. ISSUANCE, RENEWAL, OR DENIAL OF LICENSE.

27 (a) The department shall issue or renew a license under this

1 subchapter only if:

2 (1) the department determines the applicant meets the
3 eligibility requirements described by Section 487A.102; and

4 (2) issuance or renewal of the license is necessary to
5 ensure reasonable statewide access to, and the availability of,
6 medical cannabis for patients registered in the medical use
7 registry for whom medical cannabis is recommended under Chapter
8 169A, Occupations Code.

9 (b) If the department denies the issuance or renewal of a
10 license under Subsection (a), the applicant is entitled to a
11 hearing. Chapter 2001, Government Code, applies to a proceeding
12 under this section.

13 (c) A license issued or renewed under this subchapter
14 expires as determined by the department in accordance with Section
15 411.511, Government Code.

16 Sec. 487A.105. CRIMINAL HISTORY RECORD CHECK. (a) An
17 applicant for the issuance or renewal of a license under this
18 subchapter shall provide the department with the applicant's name
19 and the name of each of the applicant's directors, managers, and
20 employees.

21 (b) Before a dispensing organization under this subchapter
22 hires a manager or employee for the organization, the license
23 holder must provide the department with the name of the prospective
24 manager or employee. The license holder may not transfer the
25 license to another person before that prospective applicant and the
26 applicant's directors, managers, and employees are eligible based
27 on a criminal history record check and are registered as required by

1 Subchapter D.

2 (c) The department shall conduct a criminal history record
3 check on each individual whose name is provided to the department
4 under Subsection (a) or (b). The director by rule shall:

5 (1) require the individual to submit a complete set of
6 fingerprints to the department on a form prescribed by the
7 department for purposes of a criminal history record check under
8 this section; and

9 (2) establish criteria for determining whether an
10 individual is eligible based on the criminal history record check
11 for the purposes of this section.

12 (d) After conducting a criminal history record check under
13 this section, the department shall notify the relevant applicant or
14 organization and the individual who is the subject of the criminal
15 history record check as to whether the individual is eligible based
16 on the criminal history record check.

17 Sec. 487A.106. DUTY TO MAINTAIN ELIGIBILITY. Each license
18 holder under this subchapter must maintain compliance at all times
19 with the eligibility requirements described by Section 487A.102.

20 Sec. 487A.107. DUTIES RELATING TO DISPENSING MEDICAL
21 CANNABIS. (a) Before dispensing medical cannabis to an individual
22 for whom medical use is recommended under Chapter 169A, Occupations
23 Code, the dispensing organization must verify the individual is
24 listed as a patient in the medical use registry.

25 (b) After dispensing medical cannabis to a patient for whom
26 medical use is recommended under Chapter 169A, Occupations Code,
27 the dispensing organization shall record in the medical use

1 registry the form and quantity of the medical cannabis dispensed
2 and the date and time of dispensation.

3 Sec. 487A.108. LICENSE SUSPENSION OR REVOCATION. (a) The
4 department may at any time suspend or revoke a license issued under
5 this subchapter if the department determines the license holder has
6 not maintained the eligibility requirements described by Section
7 487A.102 or has failed to comply with a duty imposed under this
8 chapter.

9 (b) The director shall give written notice to the license
10 holder of a license suspension or revocation under this section and
11 the grounds for the suspension or revocation. The notice must be
12 sent by certified mail, return receipt requested.

13 (c) After suspending or revoking a license issued under this
14 subchapter, the director may seize or place under seal all medical
15 cannabis and drug paraphernalia owned or possessed by the
16 dispensing organization. If the director orders the revocation of
17 the license, a disposition may not be made of the seized or sealed
18 medical cannabis or drug paraphernalia until the time for
19 administrative appeal of the order has elapsed or until all appeals
20 have been concluded. When a revocation order becomes final, all
21 medical cannabis and drug paraphernalia may be forfeited to the
22 state as provided under Subchapter E, Chapter 481.

23 (d) Chapter 2001, Government Code, applies to a proceeding
24 under this section.

25 SUBCHAPTER D. REGISTRATION OF CERTAIN INDIVIDUALS

26 Sec. 487A.151. REGISTRATION REQUIRED. (a) An individual
27 may not act as a director, manager, or employee of a dispensing

1 organization unless the individual is registered under this
2 section.

3 (b) An applicant for a registration under this section must:

4 (1) be at least 18 years of age;

5 (2) submit a complete set of fingerprints to the
6 department in the manner required by department rule; and

7 (3) pass a fingerprint-based criminal history record
8 check as required by Section 487A.105.

9 (c) A registration expires on the second anniversary of the
10 date of the registration's issuance, unless suspended or revoked
11 under rules adopted under this chapter.

12 SUBCHAPTER E. DUTIES OF COUNTIES AND MUNICIPALITIES

13 Sec. 487A.201. COUNTIES AND MUNICIPALITIES MAY NOT PROHIBIT
14 MEDICAL CANNABIS. A municipality, county, or other political
15 subdivision may not enact, adopt, or enforce a rule, ordinance,
16 order, resolution, or other regulation that prohibits the
17 cultivation, production, dispensing, or possession of medical
18 cannabis, as authorized by this chapter.

19 SECTION 2. Subtitle B, Title 3, Occupations Code, is
20 amended by adding Chapter 169A to read as follows:

21 CHAPTER 169A. AUTHORITY TO RECOMMEND MEDICAL CANNABIS TO CERTAIN
22 PATIENTS

23 Sec. 169A.001. DEFINITIONS. In this chapter:

24 (1) "Department" means the Department of Public
25 Safety.

26 (2) "Medical cannabis" means the plant Cannabis sativa
27 L., and any part of that plant or any compound, manufacture, salt,

derivative, mixture, preparation, resin, or oil of that plant.

(3) "Medical use" means the ingestion by a means of administration other than by smoking of a recommended amount of medical cannabis by an individual for whom medical use is recommended under this chapter.

(4) "Smoking" means burning or igniting a substance and inhaling the smoke.

Sec. 169A.002. RECOMMENDATION OF MEDICAL USE. (a) A physician may recommend medical use in accordance with this chapter to any patient for treatment of the patient's medical condition or symptoms if, in the physician's medical judgment, medical use is the best available treatment for that patient's medical condition or symptoms.

(b) A physician who recommends medical use for a patient must:

(1) comply with the registration requirements of Section 169A.003; and

(2) certify to the department the physician has determined that:

(A) medical use is the best available treatment for the patient's medical condition or symptoms; and

(B) the risk of medical use by the patient is reasonable in light of the potential benefit for the patient.

Sec. 169A.003. RECOMMENDING PHYSICIAN REGISTRATION. (a) Before a physician may recommend medical use for a patient under this chapter, the physician must register as the recommending physician for that patient in the medical use registry maintained

1 by the department under Section 487A.054, Health and Safety Code.

2 The physician's registration must indicate:

3 (1) the physician's name; and

4 (2) the patient's name and date of birth.

5 (b) The department may not publish the name of a physician
6 registered under this section unless the physician expressly grants
7 permission.

8 Sec. 169A.004. PATIENT TREATMENT PLAN. A physician who
9 recommends medical use for a patient under this chapter must
10 maintain a patient treatment plan that indicates:

11 (1) a plan for monitoring the patient's symptoms; and

12 (2) a plan for monitoring indicators of tolerance or
13 reaction to medical cannabis.

14 SECTION 3. Section [122.103\(c\)](#), Agriculture Code, is amended
15 to read as follows:

16 (c) A qualified applicant who along with the application
17 submits proof to the department that the applicant holds a license
18 under Chapter [487](#) or [487A](#), Health and Safety Code, is not required
19 to pay an application fee, and the department shall issue the
20 license to the applicant within the time prescribed by Subsection
21 (b).

22 SECTION 4. Section [161.001\(c\)](#), Family Code, is amended to
23 read as follows:

24 (c) Evidence of one or more of the following does not
25 constitute clear and convincing evidence sufficient for a court to
26 make a finding under Subsection (b) and order termination of the
27 parent-child relationship:

- 1 (1) the parent homeschooled the child;
- 2 (2) the parent is economically disadvantaged;
- 3 (3) the parent has been charged with a nonviolent
- 4 misdemeanor offense other than:
 - 5 (A) an offense under Title 5, Penal Code;
 - 6 (B) an offense under Title 6, Penal Code; or
 - 7 (C) an offense that involves family violence, as
 - 8 defined by Section 71.004 of this code;
- 9 (4) the parent provided or administered low-THC
- 10 cannabis to a child for whom the low-THC cannabis was prescribed
- 11 under Chapter 169, Occupations Code;
- 12 (5) the parent provided or administered medical
- 13 cannabis to a child for whom medical cannabis was recommended under
- 14 Chapter 169A, Occupations Code;
- 15 (6) the parent declined immunization for the child for
- 16 reasons of conscience, including a religious belief;
- 17 (7) (6) the parent sought an opinion from more than
- 18 one medical provider relating to the child's medical care,
- 19 transferred the child's medical care to a new medical provider, or
- 20 transferred the child to another health care facility; or
- 21 (8) (7) the parent allowed the child to engage in
- 22 independent activities that are appropriate and typical for the
- 23 child's level of maturity, physical condition, developmental
- 24 abilities, or culture.

25 SECTION 5. Section 262.116(a), Family Code, is amended to
26 read as follows:

- 27 (a) The Department of Family and Protective Services may not

1 take possession of a child under this subchapter based on evidence
2 that the parent:

- 3 (1) homeschooled the child;
- 4 (2) is economically disadvantaged;
- 5 (3) has been charged with a nonviolent misdemeanor
6 offense other than:

- 7 (A) an offense under Title 5, Penal Code;
- 8 (B) an offense under Title 6, Penal Code; or
- 9 (C) an offense that involves family violence, as
10 defined by Section 71.004 of this code;

- 11 (4) provided or administered low-THC cannabis to a
12 child for whom the low-THC cannabis was prescribed under Chapter
13 169, Occupations Code;

- 14 (5) provided or administered medical cannabis to a
15 child for whom medical cannabis was recommended under Chapter 169A,
16 Occupations Code;

- 17 (6) declined immunization for the child for reasons of
18 conscience, including a religious belief;

- 19 (7) [~~(6)~~] sought an opinion from more than one medical
20 provider relating to the child's medical care, transferred the
21 child's medical care to a new medical provider, or transferred the
22 child to another health care facility;

- 23 (8) [~~(7)~~] allowed the child to engage in independent
24 activities that are appropriate and typical for the child's level
25 of maturity, physical condition, developmental abilities, or
26 culture; or

- 27 (9) [~~(8)~~] tested positive for marihuana, unless the

1 department has evidence that the parent's use of marihuana has
2 caused significant impairment to the child's physical or mental
3 health or emotional development.

4 SECTION 6. Section 411.0891(a), Government Code, is amended
5 to read as follows:

6 (a) The department may obtain as provided by Subsection
7 (a-1) criminal history record information that relates to a person
8 who:

9 (1) is an applicant for or holds a registration issued
10 by the director under Subchapter C, Chapter 481, Health and Safety
11 Code, that authorizes the person to manufacture, distribute,
12 analyze, or conduct research with a controlled substance;

13 (2) is an applicant for or holds a registration issued
14 by the department under Chapter 487 or 487A, Health and Safety Code,
15 to be a director, manager, or employee of a dispensing organization
16 licensed under Chapter 487 or 487A~~[, as defined by Section~~
17 ~~487.001]~~, Health and Safety Code;

18 (3) is an applicant for or holds an authorization
19 issued by the department under Section 521.2476, Transportation
20 Code, to do business in this state as a vendor of ignition interlock
21 devices;

22 (4) is an applicant for or holds certification by the
23 department as an inspection station or an inspector under
24 Subchapter G, Chapter 548, Transportation Code, holds an inspection
25 station or inspector certificate issued under that subchapter, or
26 is the owner of an inspection station operating under that chapter;

27 (5) is an applicant for or holds a certificate of

1 registration issued by the department under Chapter 1956,
2 Occupations Code, to act as a metal recycling entity;

3 (6) is an applicant for or holds a license to carry a
4 handgun issued by the department under Subchapter H, or is an
5 applicant for or holds a certification as an instructor issued by
6 the department under this chapter;

7 (7) is an applicant for or holds a Capitol access pass
8 issued by the department under Section 411.0625; or

9 (8) is an applicant for or holds a license or
10 commission issued by the department under Chapter 1702, Occupations
11 Code.

12 SECTION 7. Section 411.502, Government Code, is amended to
13 read as follows:

14 Sec. 411.502. APPLICABILITY. This subchapter applies to a
15 program, and persons regulated under the program, administered by
16 the department under the following laws, including rules adopted
17 under those laws:

- 18 (1) Section 411.0625;
19 (2) Chapter 487, Health and Safety Code;
20 (3) Chapter 487A, Health and Safety Code;
21 (4) Chapter 1702, Occupations Code;
22 (5) ~~[(4)]~~ Chapter 1956, Occupations Code;
23 (6) ~~[(5)]~~ Section 521.2476, Transportation Code; and
24 (7) ~~[(6)]~~ Subchapter G, Chapter 548, Transportation
25 Code.

26 SECTION 8. Section 443.202(a), Health and Safety Code, is
27 amended to read as follows:

1 (a) This section does not apply to low-THC cannabis
2 regulated under Chapter 487 or medical cannabis regulated under
3 Chapter 487A.

4 SECTION 9. Section 443.2025(a), Health and Safety Code, is
5 amended to read as follows:

6 (a) This section does not apply to low-THC cannabis
7 regulated under Chapter 487 or medical cannabis regulated under
8 Chapter 487A.

9 SECTION 10. Section 481.062(a), Health and Safety Code, is
10 amended to read as follows:

11 (a) The following persons may possess a controlled
12 substance under this chapter without registering with the federal
13 [~~Federal~~] Drug Enforcement Administration:

14 (1) an agent or employee of a manufacturer,
15 distributor, analyzer, or dispenser of the controlled substance who
16 is registered with the federal [~~Federal~~] Drug Enforcement
17 Administration and acting in the usual course of business or
18 employment;

19 (2) a common or contract carrier, a warehouseman, or
20 an employee of a carrier or warehouseman whose possession of the
21 controlled substance is in the usual course of business or
22 employment;

23 (3) an ultimate user or a person in possession of the
24 controlled substance under a lawful order of a practitioner or in
25 lawful possession of the controlled substance if it is listed in
26 Schedule V;

27 (4) an officer or employee of this state, another

1 state, a political subdivision of this state or another state, or
2 the United States who is lawfully engaged in the enforcement of a
3 law relating to a controlled substance or drug or to a customs law
4 and authorized to possess the controlled substance in the discharge
5 of the person's official duties;

6 (5) if the substance is tetrahydrocannabinol or one of
7 its derivatives:

8 (A) a Department of State Health Services
9 official, a medical school researcher, or a research program
10 participant possessing the substance as authorized under
11 Subchapter G; or

12 (B) a practitioner or an ultimate user possessing
13 the substance as a participant in a federally approved therapeutic
14 research program that the commissioner has reviewed and found, in
15 writing, to contain a medically responsible research protocol; ~~or~~

16 (6) a dispensing organization licensed under Chapter
17 487 that possesses low-THC cannabis; or

18 (7) a dispensing organization licensed under Chapter
19 487A that possesses medical cannabis.

20 SECTION 11. Sections 481.111(e) and (f), Health and Safety
21 Code, are amended to read as follows:

22 (e) Sections 481.113, 481.116, 481.120, 481.121, 481.122,
23 and 481.125 do not apply to a person who engages in the acquisition,
24 possession, production, cultivation, delivery, or disposal of a raw
25 material used in or by-product created by the production or
26 cultivation of low-THC cannabis or medical cannabis if the person:

27 (1) for an offense involving possession only of

marihuana or drug paraphernalia, is a patient for whom low-THC cannabis is prescribed under Chapter 169, Occupations Code, or the patient's legal guardian, and the person possesses low-THC cannabis obtained under a valid prescription from a dispensing organization; ~~[or]~~

(2) is a director, manager, or employee of a low-THC cannabis dispensing organization and the person, solely in performing the person's regular duties at the organization, acquires, possesses, produces, cultivates, dispenses, or disposes of:

(A) in reasonable quantities, any low-THC cannabis or raw materials used in or by-products created by the production or cultivation of low-THC cannabis; or

(B) any drug paraphernalia used in the acquisition, possession, production, cultivation, delivery, or disposal of low-THC cannabis;

(3) for an offense involving possession only of marihuana or drug paraphernalia, is a patient for whom medical use is recommended under Chapter 169A, Occupations Code, or the patient's legal guardian; or

(4) is a director, manager, or employee of a medical cannabis dispensing organization and the individual, solely in performing the individual's regular duties at the organization, acquires, possesses, produces, cultivates, dispenses, or disposes of:

(A) in reasonable quantities, any medical cannabis or raw materials used in or by-products created by the

1 production or cultivation of medical cannabis; or

2 (B) any drug paraphernalia used in the
3 acquisition, possession, production, cultivation, delivery, or
4 disposal of medical cannabis.

5 (f) For purposes of Subsection (e):

6 (1) [~~"Dispensing organization" has the meaning~~
7 ~~assigned by Section 487.001.~~

8 [~~(2)~~] "Low-THC cannabis" has the meaning assigned by
9 Section 169.001, Occupations Code.

10 (2) "Low-THC cannabis dispensing organization" means
11 a dispensing organization as defined by Section 487.001.

12 (3) "Medical cannabis" and "medical use" have the
13 meanings assigned by Section 169A.001, Occupations Code.

14 (4) "Medical cannabis dispensing organization" means
15 a dispensing organization as defined by Section 487A.001.

16 SECTION 12. Section 551.004, Occupations Code, is amended
17 by amending Subsection (a) and adding Subsection (a-1) to read as
18 follows:

19 (a) This subtitle does not apply to:

20 (1) a practitioner licensed by the appropriate state
21 board who supplies a patient of the practitioner with a drug in a
22 manner authorized by state or federal law and who does not operate a
23 pharmacy for the retailing of prescription drugs;

24 (2) a member of the faculty of a college of pharmacy
25 recognized by the board who is a pharmacist and who performs the
26 pharmacist's services only for the benefit of the college;

27 (3) a person who procures prescription drugs for

lawful research, teaching, or testing and not for resale;

(4) a home and community support services agency that possesses a dangerous drug as authorized by Section 142.0061, 142.0062, or 142.0063, Health and Safety Code; ~~or~~

(5) a low-THC cannabis dispensing organization~~[, as defined by Section 487.001, Health and Safety Code,~~ that cultivates, processes, and dispenses low-THC cannabis, as authorized by a license issued under Subchapter C, Chapter 487, Health and Safety Code, to a patient listed in the compassionate-use registry established under that chapter; or

(6) a medical cannabis dispensing organization that cultivates, processes, and dispenses medical cannabis, as authorized by a license issued under Subchapter C, Chapter 487A, Health and Safety Code, to a patient listed in the medical use registry established under that chapter.

(a-1) For purposes of Subsections (a)(5) and (6):

(1) "Low-THC cannabis dispensing organization" means a dispensing organization as defined by Section 487.001, Health and Safety Code.

(2) "Medical cannabis dispensing organization" means a dispensing organization as defined by Section 487A.001, Health and Safety Code.

SECTION 13. Not later than January 1, 2026, the public safety director of the Department of Public Safety shall adopt rules as required to implement, administer, and enforce Chapter 487A, Health and Safety Code, as added by this Act, including rules to establish the medical use registry required by that chapter.

1 SECTION 14. This Act takes effect immediately if it
2 receives a vote of two-thirds of all the members elected to each
3 house, as provided by Section 39, Article III, Texas Constitution.
4 If this Act does not receive the vote necessary for immediate
5 effect, this Act takes effect September 1, 2025.