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By:  Lucio III H.B. No. 2563

A BILL TO BE ENTITLED

AN ACT

relating to the establishment and duties of the Texas Medical Cannabis Council.

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

SECTION 1.  Chapter 411, Government Code, is amended by adding Subchapter Q to read as follows:

SUBCHAPTER Q. TEXAS MEDICAL CANNABIS COUNCIL

Sec. 411.461.  DEFINITIONS. In this subchapter:

(1)  "Advisory committee" means the Medical Cannabis Regulation Advisory Committee.

(2)  "Council" means the Texas Medical Cannabis Council.

(3)  "Dispensing organization" and "low-THC cannabis" have the meanings assigned by Section 487.001, Health and Safety Code.

(4)  "Medical cannabis" means the plant Cannabis sativa L., and any part of that plant or any compound, manufacture, salt, derivative, mixture, preparation, resin, or oil of that plant, that is used for medical purposes.

Sec. 411.462.  RULES. The director shall adopt any rules necessary to implement this subchapter.

Sec. 411.463.  TEXAS MEDICAL CANNABIS COUNCIL; PURPOSES. The Texas Medical Cannabis Council is established to:

(1)  create and expedite innovation in the area of cannabis research;

(2)  enhance the potential for medical or scientific breakthroughs in cannabis medicine and the safe, secure cultivation of cannabis;

(3)  attract, create, or expand research capabilities of public or private institutions of higher education and other public or private entities to promote a substantial increase in cannabis research and the creation of high-quality new jobs in this state;

(4)  conduct a continuing study of the laws relating to cannabis and report the council's findings and recommendations on an annual basis; and

(5)  facilitate statewide access to safe and effective medical cannabis for residents of this state.

Sec. 411.464.  ADMINISTRATIVE ATTACHMENT. (a) The council is administratively attached to the department.

(b)  The council shall work with the department to transition to a stand-alone council.

Sec. 411.465.  COUNCIL MEMBERSHIP. The department, the Department of State Health Services, the comptroller of public accounts, the Department of Agriculture, the Texas Medical Board, the Texas Board of Nursing, the Texas State Board of Pharmacy, the State Board of Veterinary Medical Examiners, and the Texas Department of Licensing and Regulation shall each appoint a member to the council.

Sec. 411.466.  EXECUTIVE DIRECTOR. (a) The council shall hire an executive director. The executive director shall perform the duties required by this subchapter or designated by the council.

(b)  The executive director must have a demonstrated ability to lead and develop academic, commercial, and governmental partnerships and coalitions.

Sec. 411.467.  OFFICERS. (a) The executive director shall hire a chief science officer, a chief medical officer, and a chief compliance officer.

(b)  The chief science officer and chief medical officer shall report directly to the executive director and assist the executive director in outreach to further cannabis research and safe, effective use of cannabis for medical purposes.

(c)  The chief compliance officer shall monitor and report to the council, the legislature, and law enforcement regarding compliance with this subchapter and rules adopted under this subchapter.

Sec. 411.468.  FUNDING; GRANTS. (a) The council may accept donations for research under this subchapter.

(b)  The council may provide grants for:

(1)  research into the use of medical cannabis and health outcomes; and

(2)  scientific public education and outreach to educate youth on the risks of using cannabis for nonmedical purposes and without the supervision of a health care provider.

Sec. 411.469.  ANNUAL PUBLIC REPORT; INTERNET POSTING. Not later than January 31 of each year, the council shall submit to the lieutenant governor, the speaker of the house of representatives, the governor, and the standing advisory committee of each house of the legislature with primary jurisdiction over council matters and post on the council's Internet website a report outlining the council's activities, research accomplishments, and future program directions. The report must include:

(1)  the number, type, recipient, and location of licenses awarded for dispensing organizations for low-THC cannabis;

(2)  the amount of fees collected and the licenses on which the fees were assessed;

(3)  the amount of low-THC cannabis provided in accordance with Chapter 487, Health and Safety Code, and the prices charged for that cannabis;

(4)  the number and dollar amounts of any research and facilities grants provided by the council;

(5)  an assessment of the availability of funding for cannabis research;

(6)  a summary of findings of research funded by the council, including promising new research areas;

(7)  the council's administrative expenses;

(8)  the use of any other funding mechanism;

(9)  any anticipated savings in drug costs to the state's health care costs that would result from the provision of medical cannabis;

(10)  a statement of the council's compliance program activities, including any proposed legislation or other recommendations identified through the activities; and

(11)  for the previous calendar year, a list of any conflicts of interest under this subchapter or rules adopted under this subchapter or any other ethical issue identified by the council or the chief compliance officer.

Sec. 411.470.  INDEPENDENT FINANCIAL AUDIT FOR REVIEW BY COMPTROLLER. (a) The council shall annually commission an independent financial audit of the council's activities from a certified public accounting firm.

(b)  The council shall provide the audit to the comptroller. The comptroller shall review and evaluate the audit and annually issue a public report of that review.

(c)  The comptroller shall make recommendations concerning the council's financial practices and performance.

Sec. 411.471.  CANNABIS MEDICAL REGULATION ADVISORY COMMITTEE; MEMBERSHIP. (a) The Cannabis Medical Regulation Advisory Committee consists of the following members:

(1)  two members of the senate from different political parties, appointed by the lieutenant governor;

(2)  two members of the house of representatives from different political parties, appointed by the speaker of the house; and

(3)  the following members, appointed by the council:

(A)  two members of the public who support the use of cannabis for medical purposes and who are or were patients or the parent of a patient who found relief from the use of medical cannabis, at least one of whom represents the interests of persons with disabilities;

(B)  an expert in drug addiction and public health policy;

(C)  three physicians licensed in this state, including one family practitioner and one specialist in a condition for which low-THC cannabis may be prescribed under Chapter 487, Health and Safety Code;

(D)  a nurse licensed in this state who has experience in hospice care, nominated by a state research institution or trade association;

(E)  a pharmacist licensed in this state, nominated by a state research institution or trade association;

(F)  a scientist who has experience in the science of cannabis, nominated by a state research institution;

(G)  a district attorney or county attorney with criminal jurisdiction;

(H)  a representative of municipal law enforcement;

(I)  a sheriff;

(J)  an attorney who is knowledgeable about medical cannabis laws in the United States;

(K)  an individual with experience in horticulture, recommended by the Department of Agriculture;

(L)  an expert in laboratory sciences and toxicology; and

(M)  a member of the public with demonstrated expertise and credentials in public health policy.

(b)  The advisory committee shall appoint from its members a presiding officer.

Sec. 411.472.  DUTIES OF ADVISORY COMMITTEE. The advisory committee shall:

(1)  consider any matter submitted to the advisory committee by the council;

(2)  on its own initiative, recommend to the council guidelines and rules and any changes to guidelines and rules that the advisory committee considers important or necessary for the council's review and consideration; and

(3)  advise the council on legislation and proposed rules.

Sec. 411.473.  SUBCOMMITTEES. The presiding officer of the advisory committee may appoint subcommittees to expedite the work of the council. The presiding officer shall appoint:

(1)  a subcommittee on public health to develop recommendations on:

(A)  products;

(B)  labeling;

(C)  marketing and advertising;

(D)  related public health issues;

(E)  potency, which may include a recommended maximum limit for individual doses of medical cannabis products; and

(F)  packaging, which may include the development and implementation of a public health warning to appear on medical cannabis products;

(2)  a subcommittee on public safety and community mitigation to develop recommendations on law enforcement, property, business, and consumer issues; and

(3)  a subcommittee on the cannabis industry to develop recommendations on cultivation, processing, manufacturing, transportation, distribution, seed-to-sale tracking, and market stability.

Sec. 411.474.  COUNCIL STUDIES AND RESEARCH. The council, in consultation with the advisory committee, shall conduct studies and shall:

(1)  collect data on the reported health care outcomes and any adverse events in the use of medical cannabis;

(2)  develop educational components for health care provider education on the use of medical cannabis;

(3)  develop agricultural best practices for the safe cultivation of cannabis and innovations for a variety of strains of cannabis;

(4)  create testing protocols and objective measurements for safety;

(5)  develop standard packaging and labeling for medical cannabis and medical cannabis products, ensuring accessibility for users with disabilities;

(6)  create medical cannabis warning labels based on the latest scientific research; and

(7)  create recommendations for safety and identification measures to ensure that unauthorized persons do not access medical cannabis.

Sec. 411.475.  MEETINGS; QUORUM. (a) The advisory committee meets at the call of the presiding officer.

(b)  To take action at a meeting, a majority of the members of the advisory committee present and voting shall constitute a quorum.

Sec. 411.476.  REIMBURSEMENT. Members of the advisory committee serve without compensation but are entitled to reimbursement for travel expenses and other actual and necessary expenses incurred in the performance of official duties, as provided by the General Appropriations Act.

Sec. 411.477.  COUNCIL CONFLICT OF INTEREST. A person is ineligible to serve on the council if the person:

(1)  has a direct or indirect financial, ownership, or management interest, including ownership of any stocks, bonds, or other similar financial instruments, in any state licensed medical cannabis business;

(2)  is related within the second degree by consanguinity or affinity, as determined under Chapter 573, to an individual who holds a medical cannabis license in this state or in another state;

(3)  is an elected official of a state or local government;

(4)  receives or shares in, directly or indirectly, the receipts or proceeds of a medical cannabis grower, processor, or dispensing organization licensed in any state; or

(5)  has a beneficial interest in any contract for the manufacture or sale of medical cannabis or the provision of any independent consulting services in connection with any medical cannabis license issued by this state or another state.

Sec. 411.478.  ADVISORY COMMITTEE CONFLICTS OF INTEREST; DISCLOSURE. A member of the advisory committee may have an interest in a cannabis business but must disclose that interest on any application and to the council's chief compliance officer.

SECTION 2.  As soon as practicable after the effective date of this Act:

(1)  the director of the Department of Public Safety shall adopt rules as necessary to implement Subchapter Q, Chapter 411, Government Code, as added by this Act; and

(2)  the applicable state agencies shall appoint members to the Texas Medical Cannabis Council under Section 411.465, Government Code, as added by this Act.

SECTION 3.  This Act takes effect September 1, 2019.