

By: King of Uvalde, Larson, Gutierrez,
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H.B. No. 1325

Substitute the following for H.B. No. 1325:

By: Meza

C.S.H.B. No. 1325

A BILL TO BE ENTITLED

AN ACT

relating to the production and regulation of hemp and products made
from hemp; requiring authorization to produce hemp; authorizing
penalties; authorizing fees.

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

SECTION 1. This Act may be cited as the Hemp Farming Act.

SECTION 2. (a) It is the policy of this state that hemp is a
viable agricultural crop and an agricultural commodity in this
state.

(b) It is the purpose of this Act to:

(1) promote cultivating and processing hemp and
develop new commercial markets for farmers and businesses through
the sale of hemp products;

(2) promote the expansion of this state's hemp
industry to the maximum extent permitted by law allowing farmers
and businesses to cultivate, handle, and process hemp and sell hemp
products for commercial purposes;

(3) encourage and empower research into hemp
production and hemp products at institutions of higher education
and in the private sector; and

(4) move this state and its citizens to the forefront
of the hemp industry.

SECTION 3. Section 12.020(c), Agriculture Code, is amended
to read as follows:

(c) The provisions of law subject to this section and the applicable penalty amounts are as follows:

Provision	Amount of Penalty
Chapters 13, 14A, 17, 18, 19, 41, 46, 61, 72, 73, 74, 76, 94, 95, 101, 102, 103, <u>122</u> , 125, 132, and 134	not more than \$5,000
Subchapters A, B, and C, Chapter 71	not more than \$5,000
Chapter 14	not more than \$10,000
Chapter 1951, Occupations Code	not more than \$5,000
Chapter 153, Natural Resources Code	not more than \$5,000
Section 91.009	not more than \$5,000.

SECTION 4. Title 5, Agriculture Code, is amended by adding Subtitle F to read as follows:

SUBTITLE F. HEMP

CHAPTER 121. STATE HEMP PRODUCTION PLAN

Sec. 121.001. DEFINITION. In this chapter, "hemp" means the plant Cannabis sativa L. and any part of that plant, including the seeds of the plant and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.

Sec. 121.002. LEGISLATIVE INTENT. It is the intent of the legislature that this state have primary regulatory authority over the production of hemp in this state.

Sec. 121.003. DEPARTMENT RULES. (a) The department, after consulting with the governor, attorney general, and Department of State Health Services, shall adopt rules consistent with Chapter 122 providing:

1 (1) a practice to maintain relevant information
2 regarding land on which hemp is produced in this state, including a
3 legal description of the land, for a period of at least three
4 calendar years;

5 (2) a procedure for testing, using
6 post-decarboxylation, high-performance liquid chromatography, or
7 another similarly reliable method, the delta-9
8 tetrahydrocannabinol concentration of hemp produced in this state;

9 (3) a procedure for the effective disposal of plants,
10 whether growing or not, that are produced in violation of 7 U.S.C.
11 Chapter 38, Subchapter VII, and products derived from those plants;

12 (4) a procedure to comply with the enforcement
13 procedures described by 7 U.S.C. Section 1639p(e);

14 (5) a procedure for conducting annual inspections of,
15 at a minimum, a random sample of hemp producers to verify that hemp
16 is not produced in violation of 7 U.S.C. Chapter 38, Subchapter VII;

17 (6) a procedure for submitting the information
18 described in 7 U.S.C. Section 1639q(d)(2), as applicable, to the
19 secretary of the United States Department of Agriculture not later
20 than the 30th day after the date the information is received; and

21 (7) standards for certifying that this state has the
22 resources and personnel to carry out the practices and procedures
23 described by Subdivisions (1) through (6).

24 (b) The department shall adopt rules under Subsection (a)
25 that will, in substance, meet the requirements for approval as a
26 state plan under 7 U.S.C. Section 1639p.

27 Sec. 121.004. MEMORANDUM OF UNDERSTANDING WITH DEPARTMENT

1 OF STATE HEALTH SERVICES. The department and the Department of
2 State Health Services shall enter into a memorandum of
3 understanding that:

4 (1) recognizes the primary jurisdiction of the
5 Department of State Health Services over the processing,
6 manufacturing, packaging, transportation, sale, and use of
7 consumable hemp products in this state; and

8 (2) requires the department and the Department of
9 State Health Services to cooperate in the development of the state
10 hemp production plan required under this chapter.

11 Sec. 121.005. SUBMISSION OF STATE PLAN. (a) The
12 department, after consulting with the governor, attorney general,
13 and Department of State Health Services shall submit to the
14 secretary of the United States Department of Agriculture a state
15 plan for monitoring and regulating the production of hemp in this
16 state as provided by 7 U.S.C. Section 1639p.

17 (b) If the state plan submitted by the department is
18 disapproved by the secretary of the United States Department of
19 Agriculture, the department, after consulting with the governor,
20 attorney general, and Department of State Health Services, shall
21 amend the state plan as needed to obtain approval and submit an
22 amended plan.

23 (c) The department shall, as necessary, seek technical
24 assistance from the secretary of the United States Department of
25 Agriculture in developing the state plan.

CHAPTER 122. PRODUCTION OF HEMP

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 122.001. DEFINITIONS. In this chapter:

(1) "Commercial sale" means the sale of a product in the stream of commerce at retail, at wholesale, or on the Internet.

(2) "Consumable hemp product" means a hemp product that is:

(A) capable of being:

(i) ingested as a food intended for human or animal consumption; or

(ii) applied topically to the body, including a cosmetic or personal care product; or

(B) similar to a product listed under Paragraph (A) and that contains one or more hemp-derived cannabinoids, including cannabidiol.

(3) "Cultivate" means to plant, irrigate, grow, or harvest a plant or crop.

(4) "Federally defined THC level for hemp" means a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent:

(A) on a dry weight basis for hemp; or

(B) in a hemp product.

(5) "Handle" means to possess or store a hemp plant:

(A) on premises owned, operated, or controlled by a hemp producer for any period of time; or

(B) in a vehicle for any period of time other than during the actual transport of the plant from a premises owned,

1 operated, or controlled by a hemp producer to a premises owned,
2 operated, or controlled by another hemp producer.

3 (6) "Hemp" has the meaning assigned by Section
4 121.001.

5 (7) "Hemp producer" means a person authorized by the
6 department to cultivate, handle, or process hemp in this state.

7 (8) "Hemp product" means a finished product that does
8 not exceed the federally defined THC level for hemp, that is derived
9 from or made by processing a hemp plant or plant part, and that is
10 prepared in a form available for commercial sale. The term includes
11 cosmetics, personal care products, food intended for human or
12 animal consumption, cloth, cordage, fiber, fuel, paint, paper,
13 particleboard, plastics, and any product containing one or more
14 hemp-derived cannabinoids, including cannabidiol.

15 (9) "Independent testing laboratory" means a
16 laboratory certified by this state and accredited by an
17 accreditation body, including the American Association for
18 Laboratory Accreditation (A2LA) and Assured Calibration and
19 Laboratory Accreditation Select Services (ACLASS), in accordance
20 with International Organization for Standardization ISO/IEC 17025
21 or a comparable or successor standard.

22 (10) "Institution of higher education" has the meaning
23 assigned by Section 61.003, Education Code.

24 (11) "Plot" means a contiguous area in a field,
25 greenhouse, or indoor growing structure containing the same variety
26 or cultivar of hemp throughout the area.

27 (12) "Process" means to convert hemp into a marketable

1 form.

2 (13) "QR code" means a quick response machine-readable
3 code that can be read by a camera, consisting of an array of black
4 and white squares used for storing information or directing or
5 leading a user to additional information.

6 (14) "Smoking" means burning or igniting a substance
7 and inhaling the smoke.

8 Sec. 122.002. DEPARTMENT RULES AND PROCEDURES. The
9 department shall adopt rules and administrative procedures
10 necessary to implement this chapter.

11 Sec. 122.003. STATE HEMP PROGRAM ACCOUNT. (a) The state
12 hemp program account is an account in the general revenue fund
13 administered by the department.

14 (b) The account consists of:

15 (1) appropriations of money to the account by the
16 legislature;

17 (2) public or private gifts, grants, or donations,
18 including federal funds, received for the account;

19 (3) fees received under Section 122.053;

20 (4) interest and income earned on the investment of
21 money in the account;

22 (5) penalties collected under this chapter; and

23 (6) funds from any other source deposited in the
24 account.

25 (c) The department may accept appropriations and gifts,
26 grants, or donations from any source to administer and enforce this
27 chapter. Money received under this subsection shall be deposited

1 in the account.

2 (d) Money in the account may be appropriated only for the
3 administration and enforcement of this subtitle.

4 Sec. 122.004. INTERSTATE COMMERCE. To the extent of a
5 conflict between a provision of this chapter and a provision of
6 federal law involving interstate commerce, including a regulation
7 or an interpretation of federal law, federal law controls and
8 conflicting provisions of this chapter do not apply.

9 SUBCHAPTER B. STATE HEMP PROGRAM

10 Sec. 122.051. APPLICABILITY OF SUBCHAPTER TO HEMP PRODUCTS.
11 This subchapter does not apply to the possession, transportation,
12 or sale of hemp products or extracts, including products or
13 extracts containing one or more hemp-derived cannabinoids,
14 including cannabidiol.

15 Sec. 122.052. PROGRAM RULES. (a) The department shall
16 adopt rules to establish a state hemp program that:

17 (1) promotes the cultivating and processing of hemp
18 and the commercial sale of hemp products; and

19 (2) regulates hemp production in this state.

20 (b) In adopting rules under Subsection (a), the department
21 shall consult with:

22 (1) relevant public agencies; and

23 (2) private, nonprofit associations in the hemp
24 industry that promote standards, best practices, and
25 self-regulation in the production of hemp.

26 (c) Rules adopted under Subsection (a) must:

27 (1) establish requirements by which the department

1 authorizes an individual or business entity to participate in the
2 state hemp program as a hemp producer;

3 (2) prescribe the manner in which an institution of
4 higher education may participate in or be affiliated with the
5 program;

6 (3) prescribe sampling, inspection, certification,
7 and testing procedures to ensure that hemp plants cultivated,
8 handled, or processed in this state, and hemp products processed in
9 this state, do not exceed the federally defined THC level for hemp;

10 (4) provide due process consistent with Chapter 2001,
11 Government Code, including an appeals process, to protect hemp
12 producers from the consequences of imperfect test results; and

13 (5) prescribe enforcement procedures that are
14 consistent with 7 U.S.C. Section 1639p(e).

15 Sec. 122.053. FEES. (a) The department by rule shall set
16 and collect fees in amounts that are reasonable and necessary to
17 cover the costs of administering and enforcing the state hemp
18 program.

19 (b) Fees prescribed by the department under this section are
20 not refundable.

21 (c) Fees collected under this section shall be deposited in
22 the state hemp program account under Section 122.003.

23 Sec. 122.054. DEPARTMENT AUTHORIZATION REQUIRED. (a)
24 Except as provided by this chapter, a person or the person's agent
25 may not cultivate, handle, or process hemp in this state or
26 transport hemp outside of this state unless the person is
27 authorized by the department under this section to participate in

1 the state hemp program as a hemp producer.

2 (b) A person seeking to participate in the state hemp
3 program as a hemp producer must apply to the department on a form
4 and in the manner prescribed by the department. The application
5 must be accompanied by:

6 (1) a legal description of each location where the
7 person intends to cultivate or process hemp and the global
8 positioning system coordinates for the perimeter of each location;

9 (2) written consent from the applicant or the property
10 owner if the applicant is not the property owner allowing the
11 department, the Department of Public Safety, and any other state or
12 local law enforcement agency to enter onto all premises where hemp
13 is cultivated, processed, handled, or stored to conduct a physical
14 inspection or to ensure compliance with this chapter and rules
15 adopted under this chapter;

16 (3) any fees required by the department to be
17 submitted with the application; and

18 (4) any other information required by department rule.

19 (c) If the department determines that a person who submits
20 an application under this section meets the state hemp program
21 participation requirements prescribed by department rule, the
22 department shall authorize the person to participate in the program
23 as a hemp producer in the manner provided by department rule.

24 Sec. 122.055. LIMITATION ON PROGRAM PARTICIPATION. (a) A
25 person who is or has been convicted of a felony relating to a
26 controlled substance under state or federal law may not participate
27 in the state hemp program established under this subchapter or

1 produce hemp in this state under any other law for a period of at
2 least 10 years after the date of the person's conviction.

3 (b) A person who materially falsifies any information
4 contained in an application submitted to the department under
5 Section 122.054 may not participate in the state hemp program.

6 Sec. 122.056. ENFORCEMENT. (a) If the department
7 determines that a hemp producer has negligently violated this
8 chapter or a rule adopted under this chapter, the department shall
9 enforce the violation in the manner provided by 7 U.S.C. Section
10 1639p(e). A hemp producer is not subject to a civil or criminal
11 penalty under this subsection.

12 (b) If the department determines or suspects that a hemp
13 producer has violated this chapter or a rule adopted under this
14 chapter with a culpable mental state greater than negligence,
15 Subsection (a) does not apply and the department shall report the
16 hemp producer immediately to:

17 (1) the United States attorney general; and

18 (2) the attorney general of this state, who may:

19 (A) on behalf of the department, investigate the
20 violation and institute proceedings for injunctive or other
21 appropriate relief; or

22 (B) report the matter to an appropriate law
23 enforcement agency.

24 Sec. 122.057. SEED CERTIFICATION PROGRAM. (a) The
25 department shall establish a program to identify and certify seeds
26 confirmed to produce hemp. The department may authorize the
27 importation of hemp seed in accordance with state and federal law.

1 (b) The department may not certify a variety of hemp seed if
2 the seed is tested and confirmed to produce a plant that exceeds the
3 federally defined THC level for hemp. For purposes of this
4 subsection, the department may partner with a private entity or an
5 institution of higher education to test seed for the purpose of
6 certification under this section.

7 (c) The department shall maintain and make available to hemp
8 producers a list of hemp seeds certified by the department under
9 this section.

10 Sec. 122.058. USE OR DISPOSAL OF HARVESTED PLANTS. (a) If
11 the results of a test under Subchapter C performed on a sample show
12 the sample does not exceed the federally defined THC level for hemp,
13 the hemp producer may sell or use the plants represented by the
14 sample for any purpose allowed by law.

15 (b) If the results of a test under Subchapter C performed on
16 a sample show the sample exceeds the federally defined THC level for
17 hemp, the hemp producer shall immediately confer with the
18 department and in a manner approved by the department:

19 (1) have postharvest testing performed as provided by
20 Section 122.106 or other retesting provided by department rule;

21 (2) dispose of all hemp plants represented by the
22 sample; or

23 (3) if the department determines the plants
24 represented by the sample reached that concentration solely as a
25 result of negligence or acts beyond the control of the hemp
26 producer:

27 (A) trim, extract, or separate the plants until

1 the remaining plants or plant parts do not exceed the federally
2 defined THC level for hemp and dispose of the noncompliant plants or
3 plant parts in a manner approved by the department;

4 (B) transfer the plants to an appropriately
5 licensed person to process into a product that does not exceed the
6 federally defined THC level for hemp and dispose of any remaining
7 parts of the plants in a manner approved by the department; or

8 (C) take any other corrective action consistent
9 with federal regulations adopted under 7 U.S.C. Chapter 38,
10 Subchapter VII.

11 SUBCHAPTER C. TESTING

12 Sec. 122.101. TESTING REQUIRED. (a) The department by rule
13 shall establish a program for the random testing of hemp plants to
14 determine the delta-9 tetrahydrocannabinol concentration of a
15 representative sample of hemp plants from the plot where the plants
16 are grown.

17 (b) Testing under this subchapter must be conducted using
18 post-decarboxylation, high-performance liquid chromatography, or
19 another similarly reliable method prescribed by department rule.

20 Sec. 122.102. PREHARVEST TESTING REQUIRED. A hemp producer
21 may not harvest a hemp plant unless the delta-9
22 tetrahydrocannabinol concentration of a representative sample of
23 hemp plants from the plot where the plant is grown is collected and
24 tested using post-decarboxylation, high-performance liquid
25 chromatography, or another similarly reliable method in the manner
26 required by this subchapter.

27 Sec. 122.103. REPRESENTATIVE SAMPLE. (a) For purposes of

1 Section 122.102, a representative sample of hemp plants from a plot
2 consists of cuttings taken from at least five plants throughout the
3 plot.

4 (b) A laboratory performing testing under this subchapter
5 shall homogenize all the cuttings in the sample and test the delta-9
6 tetrahydrocannabinol concentration of a random sample of the
7 homogenized material.

8 Sec. 122.104. SAMPLE COLLECTION. (a) A hemp producer shall
9 notify the department at least 20 days before the date the hemp
10 producer expects to harvest hemp plants in the manner prescribed by
11 department rule.

12 (b) A sample must be collected by the department or another
13 entity described by Section 122.105(a).

14 (c) The department by rule may prescribe reasonable
15 procedures for a person who collects a sample to submit the sample
16 to the testing laboratory selected by the license holder.

17 Sec. 122.105. TESTING LABORATORY. (a) Subject to
18 Subsection (b), testing required by this subchapter must be
19 performed by:

- 20 (1) the department;
21 (2) an institution of higher education; or
22 (3) an independent testing laboratory.

23 (b) To perform the testing required by this subchapter, a
24 laboratory described by Subsection (a) must be accredited by an
25 accreditation body in accordance with International Organization
26 for Standardization ISO/IEC 17025 or a successor standard.

27 (c) A hemp producer shall select a laboratory described by

1 Subsection (a) to perform preharvest or postharvest testing of a
2 sample taken from the hemp producer's plot. A hemp producer shall
3 pay the costs of sample collection and testing in the amount
4 prescribed by the laboratory selected by the hemp producer.

5 (d) The department shall recognize and accept the results of
6 a test performed by an institution of higher education or an
7 independent testing laboratory described by Subsection (a). The
8 department shall require that a copy of the test results be sent by
9 the institution of higher education or independent testing
10 laboratory directly to the department and the hemp producer.

11 (e) The department shall notify the hemp producer of the
12 results of the test not later than the 14th day after the date the
13 sample was collected under Section 122.104 or the date the
14 department receives test results under Subsection (d).

15 Sec. 122.106. POSTHARVEST TESTING. (a) The department by
16 rule shall allow a hemp producer to have postharvest testing
17 performed on a representative sample of plants from a plot if the
18 results of a preharvest test exceed the federally defined THC level
19 for hemp.

20 (b) A hemp producer requesting postharvest testing shall
21 pay the costs of the testing before a testing laboratory selected by
22 the hemp producer under Section 122.105 performs the test.

23 (c) If a hemp producer fails to request postharvest testing
24 or fails to pay the postharvest testing fee not later than the 15th
25 day after the date the hemp producer is notified of the results of
26 the preharvest test, the results of the preharvest test are final.

27 (d) A hemp producer shall retain control over harvested

plants until the hemp producer receives:

(1) written notice of preharvest or postharvest testing results indicating the plants do not exceed the federally defined THC level for hemp; or

(2) a shipping manifest by the department under Section 122.154.

Sec. 122.107. SHIPPING DOCUMENTATION FOR TEST SAMPLES. The department shall issue documentation to an entity authorized to collect samples of plants for testing that authorizes the transportation of those samples from the place of collection to a testing laboratory.

SUBCHAPTER D. HEMP PRODUCTS

Sec. 122.151. PROCESSING OR MANUFACTURING HEMP PRODUCTS.

(a) Except as provided by Subsection (b), a state agency may not prohibit a person who processes or manufactures a product regulated by the agency from applying for or obtaining a permit or other authorization to process or manufacture the product solely on the basis that the person intends to process or manufacture the product with hemp.

(b) A state agency may not authorize a person to process or manufacture a hemp product for smoking.

Sec. 122.152. HEMP-DERIVED ADDITIVES. Notwithstanding any other law, derivatives of hemp, including hemp-derived cannabidiol, may be added to cosmetics, personal care products, and products intended for human or animal consumption, and the addition is not considered an adulteration of the products.

Sec. 122.153. PACKAGING AND LABELING REQUIREMENTS. (a)

Before a consumable hemp product may be distributed or sold, the product must be packaged and labeled with the following information:

- (1) batch identification number;
- (2) batch size;
- (3) batch date;
- (4) batch number;
- (5) product name;
- (6) total quantity produced;
- (7) an Internet link for downloading a certificate of analysis for the product;
- (8) the name of the product's manufacturer; and
- (9) a certification that the product does not exceed the federally defined THC level for hemp, including precursors.

(b) The label required by Subsection (a) may be in the form of:

- (1) a uniform resource locator (URL) for the manufacturer's Internet website that provides the information required by that subsection; or
- (2) a QR code or other bar code that may be scanned and that leads to the information required by that subsection.

Sec. 122.154. SHIPPING CERTIFICATE OR MANIFEST. (a) The department shall develop a shipping certificate or cargo manifest that the department may issue to a hemp producer in connection with the transportation of hemp or hemp products.

(b) A certificate or manifest under Subsection (a) must include a unique identifying number for the shipment and the

1 department's contact information to allow law enforcement during a
2 roadside inspection of a motor vehicle transporting the shipment to
3 verify that the shipment consists of hemp or hemp products produced
4 in compliance with this chapter.

5 Sec. 122.155. POSSESSION, TRANSPORTATION, AND SALE OF HEMP
6 PRODUCTS. (a) Notwithstanding any other law, a person may possess,
7 transport, sell, and purchase legally produced hemp products in
8 this state.

9 (b) The department by rule must provide to a retailer of
10 hemp products fair notice of a potential violation concerning hemp
11 products sold by the retailer and an opportunity to cure a violation
12 made unintentionally or negligently.

13 Sec. 122.156. RULES RELATED TO SALE OF HEMP PRODUCTS. The
14 department, in consultation with the Department of State Health
15 Services, shall adopt rules to regulate the sale of hemp products
16 that reflect the following principles:

17 (1) hemp-derived cannabinoids, including cannabidiol,
18 are not considered controlled substances or adulterants;

19 (2) products containing one or more hemp-derived
20 cannabinoids, such as cannabidiol, intended for ingestion are to be
21 considered foods, not controlled substances or adulterated
22 products;

23 (3) hemp products must be packaged and labeled in the
24 manner provided by Section 122.153; and

25 (4) the processing or manufacturing of a hemp product
26 for smoking is prohibited.

27 Sec. 122.157. RETAIL SALE OF OUT-OF-STATE HEMP PRODUCTS.

1 (a) Retail sales of hemp products manufactured or processed
2 outside of this state may be made in this state when the products
3 and the hemp used in the products were processed and cultivated
4 legally in another state or jurisdiction that has the same or
5 substantially similar requirements for processing hemp products or
6 cultivating hemp as provided by this chapter.

7 (b) The department shall maintain a list of states or other
8 jurisdictions described by Subsection (a).

9 Sec. 122.158. TRANSPORTATION AND EXPORTATION OF HEMP
10 PRODUCTS OUT OF STATE. Hemp products may be legally transported
11 across state lines and exported to foreign jurisdictions in a
12 manner that is consistent with federal law and the laws of
13 respective foreign jurisdictions.

14 SUBCHAPTER E. ENFORCEMENT; PENALTIES

15 Sec. 122.201. PENALTY SCHEDULE. (a) The department by rule
16 shall adopt a schedule of sanctions and penalties for violations of
17 this chapter and rules adopted under this chapter that does not
18 conflict with 7 U.S.C. Section 1639p(e).

19 (b) A penalty collected under this chapter must be deposited
20 in the state hemp program account under Section 122.003.

21 Sec. 122.202. ADMINISTRATIVE PENALTY. The department may
22 impose an administrative penalty or other administrative sanction
23 for a violation of this chapter or a rule or order adopted under
24 this chapter, including a penalty or sanction under Section 12.020
25 or 12.0201.

26 SECTION 5. Sections 481.002(5) and (26), Health and Safety
27 Code, are amended to read as follows:

(5) "Controlled substance" means a substance, including a drug, an adulterant, and a dilutant, listed in Schedules I through V or Penalty Group 1, 1-A, 2, 2-A, 3, or 4. The term includes the aggregate weight of any mixture, solution, or other substance containing a controlled substance. The term does not include hemp, as defined by Section 121.001, Agriculture Code, or the tetrahydrocannabinols in hemp.

(26) "Marihuana" means the plant *Cannabis sativa* L., whether growing or not, the seeds of that plant, and every compound, manufacture, salt, derivative, mixture, or preparation of that plant or its seeds. The term does not include:

(A) the resin extracted from a part of the plant or a compound, manufacture, salt, derivative, mixture, or preparation of the resin;

(B) the mature stalks of the plant or fiber produced from the stalks;

(C) oil or cake made from the seeds of the plant;

(D) a compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, fiber, oil, or cake;
[~~or~~]

(E) the sterilized seeds of the plant that are incapable of beginning germination; or

(F) hemp, as that term is defined by Section 121.001, Agriculture Code.

SECTION 6. (a) Not later than the 90th day after the effective date of this Act, the Department of Agriculture shall adopt rules under Section 121.003, Agriculture Code, as added by

1 this Act, and submit for approval a state plan to the secretary of
2 the United States Department of Agriculture as provided by Section
3 121.005, Agriculture Code, as added by this Act.

4 (b) The Department of Agriculture shall submit amended
5 state plans as provided by Section 121.005(b), Agriculture Code, as
6 added by this Act, as necessary until the plan is approved.

7 SECTION 7. (a) Not later than January 1, 2020, the
8 Department of Agriculture shall adopt rules and procedures
9 necessary to implement Chapter 122, Agriculture Code, as added by
10 this Act.

11 (b) Not later than the 30th day after the date on which rules
12 and procedures are adopted under Subsection (a) of this section,
13 the Department of Agriculture shall begin authorizing
14 participation in the state hemp program established under Chapter
15 122, Agriculture Code, as added by this Act.

16 SECTION 8. This Act takes effect immediately if it receives
17 a vote of two-thirds of all the members elected to each house, as
18 provided by Section 39, Article III, Texas Constitution. If this
19 Act does not receive the vote necessary for immediate effect, this
20 Act takes effect September 1, 2019.