

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

1 cannabis research;

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

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

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

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

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

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

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

26 Sec. 411.466. EXECUTIVE DIRECTOR. (a) The council shall  
27 hire an executive director. The executive director shall perform

1 the duties required by this subchapter or designated by the  
2 council.

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

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

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

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

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

19 (b) The council may provide grants for:

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

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

25 Sec. 411.469. ANNUAL PUBLIC REPORT; INTERNET POSTING. Not  
26 later than January 31 of each year, the council shall submit to the  
27 lieutenant governor, the speaker of the house of representatives,

1 the governor, and the standing advisory committee of each house of  
2 the legislature with primary jurisdiction over council matters and  
3 post on the council's Internet website a report outlining the  
4 council's activities, research accomplishments, and future program  
5 directions. The report must include:

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

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

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

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

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

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

20 (7) the council's administrative expenses;

21 (8) the use of any other funding mechanism;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16                   (H) a representative of municipal law  
17 enforcement;

18                   (I) a sheriff;

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

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

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

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

27                   (b) The advisory committee shall appoint from its members a

1 presiding officer.

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

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

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

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

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

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

17 (A) products;

18 (B) labeling;

19 (C) marketing and advertising;

20 (D) related public health issues;

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

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

27 (2) a subcommittee on public safety and community

1 mitigation to develop recommendations on law enforcement,  
2 property, business, and consumer issues; and

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

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

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

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

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

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

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

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

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

27 Sec. 411.475. MEETINGS; QUORUM. (a) The advisory

1 committee meets at the call of the presiding officer.

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

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

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

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

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

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

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

25 (5) has a beneficial interest in any contract for the  
26 manufacture or sale of medical cannabis or the provision of any  
27 independent consulting services in connection with any medical

1 cannabis license issued by this state or another state.

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

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

8 (1) the director of the Department of Public Safety  
9 shall adopt rules as necessary to implement Subchapter Q, Chapter  
10 411, Government Code, as added by this Act; and

11 (2) the applicable state agencies shall appoint  
12 members to the Texas Medical Cannabis Council under Section  
13 411.465, Government Code, as added by this Act.

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