

By: West

S.B. No. 400

A BILL TO BE ENTITLED

AN ACT

1
2 relating to authorizing the possession, use, cultivation,
3 distribution, transportation, and delivery of medical cannabis for
4 medical use by patients with certain debilitating medical
5 conditions and terminal illnesses and the licensing of dispensing
6 organizations and cannabis testing facilities; authorizing a fee.

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

8 ARTICLE 1. CHANGES TO CHAPTER 169, OCCUPATIONS CODE

9 SECTION 1.01. The heading to Chapter 169, Occupations Code,
10 is amended to read as follows:

11 CHAPTER 169. AUTHORITY TO PRESCRIBE MEDICAL [~~LOW-THC~~] CANNABIS TO
12 CERTAIN PATIENTS FOR COMPASSIONATE USE

13 SECTION 1.02. Section 169.001, Occupations Code, is amended
14 by amending Subdivisions (2), (3), and (4) and adding Subdivisions
15 (2-a), (2-b), (3-a), and (6) to read as follows:

16 (2) "Debilitating epileptic condition" [~~"Intractable~~
17 ~~epilepsy"~~] means epilepsy or other neurological [~~a seizure~~
18 ~~disorder,~~ or the treatment of epilepsy or other neurological
19 disorder that, as diagnosed by a board-certified neurologist,
20 produces serious, debilitating, or life-threatening [~~in which the~~
21 ~~patient's seizures have been treated by two or more appropriately~~
22 ~~chosen and maximally titrated antiepileptic drugs that have failed~~
23 ~~to control the~~] seizures.

24 (2-a) "Debilitating medical condition" means cancer,

1 glaucoma, a debilitating epileptic condition, acquired immune
2 deficiency syndrome, amyotrophic lateral sclerosis, Crohn's
3 disease, Parkinson's disease, Huntington's disease, or multiple
4 sclerosis;

5 (2-b) "Higher concentration cannabis" means the plant
6 Cannabis sativa L., and any part of that plant or any compound,
7 manufacture, salt, derivative, mixture, preparation, resin, or oil
8 of that plant that contains more than 0.5 percent by weight of
9 tetrahydrocannabinols and any concentration of cannabidiol.

10 (3) "Low-THC cannabis" means the plant Cannabis sativa
11 L., and any part of that plant or any compound, manufacture, salt,
12 derivative, mixture, preparation, resin, or oil of that plant that
13 contains:

14 (A) not more than 0.5 percent by weight of
15 tetrahydrocannabinols; and

16 (B) not less than 15 [~~10~~] percent by weight of
17 cannabidiol.

18 (3-a) "Medical cannabis" means low-THC cannabis or
19 higher concentration cannabis.

20 (4) "Medical use" means the ingestion by a means of
21 administration other than by smoking of a prescribed amount of
22 medical [~~low-THC~~] cannabis by a person for whom medical [~~low-THC~~]
23 cannabis is prescribed under this chapter.

24 (6) "Terminal illness" means an advanced stage of a
25 disease with an unfavorable prognosis that, without
26 life-sustaining procedures, will soon result in death or a state of
27 permanent unconsciousness from which recovery is unlikely.

1 SECTION 1.03. Section 169.003, Occupations Code, is amended
2 to read as follows:

3 Sec. 169.003. PRESCRIPTION OF LOW-THC CANNABIS. A
4 physician [~~described by Section 169.002~~] may prescribe low-THC
5 cannabis to alleviate a patient's debilitating medical condition
6 [~~seizures~~] if:

- 7 (1) the patient is a permanent resident of the state;
8 (2) the physician complies with the registration
9 requirements of Section 169.004; and

10 (3) the physician certifies to the department that:
11 (A) the patient is diagnosed with a debilitating
12 medical condition [~~intractable epilepsy~~];

13 (B) the physician determines the risk of the
14 medical use of low-THC cannabis by the patient is reasonable in
15 light of the potential benefit for the patient; and

16 (C) a second physician [~~qualified to prescribe~~
17 ~~low-THC cannabis under Section 169.002~~] has concurred with the
18 determination under Paragraph (B), and the second physician's
19 concurrence is recorded in the patient's medical record.

20 SECTION 1.04. Chapter 169, Occupations Code, is amended by
21 adding Section 169.0035 to read as follows:

22 Sec. 169.0035. PRESCRIPTION OF HIGHER CONCENTRATION
23 CANNABIS TO PATIENTS WITH TERMINAL ILLNESS. A physician may
24 prescribe higher concentration cannabis to a patient if:

- 25 (1) the patient is a permanent resident of the state;
26 (2) the physician complies with the registration
27 requirements of Section 169.004; and

1 (3) the physician certifies to the department that:

2 (A) the patient is diagnosed with a terminal
3 illness;

4 (B) the physician determines the risk of the
5 medical use of higher concentration cannabis by the patient is
6 reasonable in light of the potential benefit for the patient; and

7 (C) a second physician has concurred with the
8 determination under Paragraph (B), and the second physician's
9 concurrence is recorded in the patient's medical record.

10 SECTION 1.05. Sections 169.004 and 169.005, Occupations
11 Code, are amended to read as follows:

12 Sec. 169.004. MEDICAL [~~LOW-THC~~] CANNABIS PRESCRIBER
13 REGISTRATION. Before a physician [~~qualified to prescribe low-THC~~
14 ~~cannabis under Section 169.002~~] may prescribe or renew a
15 prescription for medical [~~low-THC~~] cannabis for a patient under
16 this chapter, the physician must register as the prescriber for
17 that patient in the compassionate-use registry maintained by the
18 department under Section 487.054, Health and Safety Code. The
19 physician's registration must indicate:

20 (1) the physician's name;

21 (2) the patient's name and date of birth;

22 (3) the nature of the patient's debilitating medical
23 condition or terminal illness;

24 (4) whether the medical cannabis the physician
25 prescribes to the patient is:

26 (A) low-THC cannabis; or

27 (B) higher concentration cannabis;

1 (5) the dosage prescribed to the patient;

2 (6) [~~4~~] the means of administration ordered for the
3 patient; and

4 (7) [~~5~~] the total amount of medical [~~low-THC~~]
5 cannabis required to fill the patient's prescription.

6 Sec. 169.005. PATIENT TREATMENT PLAN. A physician
7 [~~described by Section 169.002~~] who prescribes medical [~~low-THC~~]
8 cannabis for a patient's medical use under this chapter must
9 maintain a patient treatment plan that indicates:

10 (1) the dosage, means of administration, and planned
11 duration of treatment for the medical [~~low-THC~~] cannabis;

12 (2) a plan for monitoring the patient's symptoms; and

13 (3) a plan for monitoring indicators of tolerance or
14 reaction to medical [~~low-THC~~] cannabis.

15 SECTION 1.06. Section 169.002, Occupations Code, is
16 repealed.

17 ARTICLE 2. CHANGES TO CHAPTER 487, HEALTH AND SAFETY CODE

18 SECTION 2.01. Section 487.001, Health and Safety Code, is
19 amended to read as follows:

20 Sec. 487.001. DEFINITIONS. In this chapter:

21 (1) "Cannabis testing facility" means an independent
22 entity licensed by the department under this chapter to analyze the
23 safety and potency of medical cannabis.

24 (2) "Debilitating medical condition," "higher
25 concentration cannabis," "low-THC cannabis," "medical cannabis,"
26 and "terminal illness" have the meanings assigned by Section
27 169.001, Occupations Code.

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

3 (4) [~~(2)~~] "Director" means the public safety director
4 of the department.

5 (5) [~~(3)~~] "Dispensing organization" means an
6 organization licensed by the department to cultivate, process, and
7 dispense medical [~~low-THC~~] cannabis to a patient for whom medical
8 [~~low-THC~~] cannabis is prescribed under Chapter 169, Occupations
9 Code.

10 ~~[(4) "Low-THC cannabis" has the meaning assigned by~~
11 ~~Section 169.001, Occupations Code.]~~

12 SECTION 2.02. The heading to Section 487.053, Health and
13 Safety Code, is amended to read as follows:

14 Sec. 487.053. LICENSING OF DISPENSING ORGANIZATIONS AND
15 CANNABIS TESTING FACILITIES; REGISTRATION OF CERTAIN ASSOCIATED
16 INDIVIDUALS.

17 SECTION 2.03. Section 487.053(a), Health and Safety Code,
18 is amended to read as follows:

19 (a) The department shall:

20 (1) issue or renew a license under Subchapter C to
21 operate as:

22 (A) a dispensing organization to each applicant
23 who satisfies the requirements established under this chapter for
24 licensure as a dispensing organization; and

25 (B) a cannabis testing facility to each applicant
26 who satisfies the requirements established under this chapter for
27 licensure as a cannabis testing facility; and

1 (2) register directors, managers, and employees under
2 Subchapter D of each:

3 (A) dispensing organization; and

4 (B) cannabis testing facility.

5 SECTION 2.04. Section 487.054, Health and Safety Code, is
6 amended to read as follows:

7 Sec. 487.054. COMPASSIONATE-USE REGISTRY. (a) The
8 department shall establish and maintain a secure online
9 compassionate-use registry that contains:

10 (1) the name of each physician who registers as the
11 prescriber for a patient under Section 169.004, Occupations Code,
12 and for each patient for whom the physician has registered as the
13 prescriber:

14 (A) the patient's name;

15 (B) the patient's ~~and~~ date of birth;

16 (C) the nature of the patient's debilitating
17 medical condition or terminal illness;

18 (D) whether the medical cannabis the physician
19 prescribes to the patient is:

20 (i) low-THC cannabis; or

21 (ii) higher concentration cannabis;

22 (E) ~~[of the patient,~~ the dosage prescribed;

23 (F) ~~]~~ the means of administration ordered; ~~]~~

24 and

25 (G) the total amount of medical ~~[low-THC]~~
26 cannabis required to fill the patient's prescription; and

27 (2) a record of each amount of medical ~~[low-THC]~~

1 cannabis dispensed by a dispensing organization to a patient under
2 a prescription.

3 (b) The department shall ensure the registry:

4 (1) is designed to prevent more than one qualified
5 physician from registering as the prescriber for a single patient;

6 (2) is accessible to law enforcement agencies and
7 dispensing organizations for the purpose of verifying whether a
8 patient is one for whom medical [~~low-THC~~] cannabis is prescribed
9 and whether the patient's prescriptions have been filled; and

10 (3) allows a physician [~~qualified to prescribe low-THC~~
11 ~~cannabis under Section 169.002, Occupations Code,~~] to input safety
12 and efficacy data derived from the treatment of patients for whom
13 medical [~~low-THC~~] cannabis is prescribed under Chapter 169,
14 Occupations Code.

15 SECTION 2.05. Subchapter B, Chapter 487, Health and Safety
16 Code, is amended by adding Sections 487.055 and 487.056 to read as
17 follows:

18 Sec. 487.055. DESIGNATION OF CAREGIVER. (a) The department
19 shall develop a form for a patient listed in the registry to
20 designate one caregiver and one alternate caregiver. A caregiver
21 is a person who has significant responsibility for managing the
22 well-being of a registered patient.

23 (b) The form must require the patient to provide the full
24 name, home address, and date of birth of the patient's caregiver and
25 alternate caregiver.

26 (c) A patient may designate only one caregiver and one
27 alternate caregiver.

1 (d) A patient may not designate as the patient's caregiver
2 or alternate caregiver a person who:

3 (1) is younger than 21 years of age; or

4 (2) has been previously convicted of an offense
5 punishable as a felony involving the manufacture, delivery, or
6 possession of a controlled substance.

7 (e) Except as otherwise provided by Subsection (f), a person
8 may be a caregiver or alternate caregiver for only one patient at a
9 time.

10 (f) A person may be a caregiver or alternate caregiver for
11 two patients simultaneously, provided that each patient is related
12 to the caregiver within the fourth degree of consanguinity or
13 affinity, as determined under Chapter 573, Government Code.

14 (g) The director shall adopt rules necessary to implement
15 this section, including rules allowing a patient to change the
16 patient's caregiver or alternate caregiver.

17 Sec. 487.056. LABELING REQUIREMENTS. The director by rule
18 shall prescribe labeling requirements for medical cannabis. The
19 requirements must provide that a label include:

20 (1) a product name;

21 (2) the name of the manufacturer;

22 (3) a batch identification number, batch date, batch
23 size, and total quantity produced;

24 (4) a list of ingredients;

25 (5) an expiration date;

26 (6) the potency of the medical cannabis, as measured
27 by the percent by weight of tetrahydrocannabinols, cannabidiols,

1 and any other psychoactive substances or chemicals determined
2 relevant by the department; and

3 (7) any additional labeling requirements as provided
4 by department rule.

5 SECTION 2.06. The heading to Subchapter C, Chapter 487,
6 Health and Safety Code, is amended to read as follows:

7 SUBCHAPTER C. LICENSING OF [~~LICENSE TO OPERATE AS~~] DISPENSING
8 ORGANIZATIONS AND CANNABIS TESTING FACILITIES [~~ORGANIZATION~~]

9 SECTION 2.07. Section 487.101, Health and Safety Code, is
10 amended to read as follows:

11 Sec. 487.101. LICENSE REQUIRED. A person may not operate as
12 a dispensing organization or a cannabis testing facility without
13 the appropriate license issued by the department under this
14 subchapter [~~chapter is required to operate a dispensing~~
15 ~~organization~~].

16 SECTION 2.08. Section 487.102, Health and Safety Code, is
17 amended to read as follows:

18 Sec. 487.102. ELIGIBILITY FOR LICENSE TO OPERATE AS
19 DISPENSING ORGANIZATION. An applicant for a license to operate as a
20 dispensing organization is eligible for the license if:

21 (1) as determined by the department, the applicant
22 possesses:

23 (A) the technical and technological ability to
24 cultivate and produce medical [~~low-THC~~] cannabis;

25 (B) the ability to secure:

26 (i) the resources and personnel necessary
27 to operate as a dispensing organization; and

1 (ii) premises reasonably located to allow
2 patients listed on the compassionate-use registry access to the
3 organization through existing infrastructure;

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

9 (D) the financial ability to maintain operations
10 for not less than two years from the date of application;

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

13 (3) the applicant satisfies any additional criteria
14 determined by the director to be necessary to safely implement this
15 chapter.

16 SECTION 2.09. Subchapter C, Chapter 487, Health and Safety
17 Code, is amended by adding Section 487.1021 to read as follows:

18 Sec. 487.1021. ELIGIBILITY FOR LICENSE TO OPERATE AS
19 CANNABIS TESTING FACILITY. An applicant for a license to operate as
20 a cannabis testing facility is eligible for the license if:

21 (1) as determined by the department, the applicant
22 possesses:

23 (A) the ability to secure the resources and
24 personnel necessary to operate as a cannabis testing facility; and

25 (B) the financial ability to maintain operations
26 for not less than two years from the date of application;

27 (2) each director, manager, or employee of the

1 applicant is registered under Subchapter D; and

2 (3) the applicant satisfies any additional criteria
3 determined by the director to be necessary for the operation of a
4 cannabis testing facility.

5 SECTION 2.10. Section 487.103, Health and Safety Code, is
6 amended by adding Subsection (a-1) to read as follows:

7 (a-1) A person may apply for an initial or renewal license
8 to operate as a cannabis testing facility by submitting a form
9 prescribed by the department along with the application fee in an
10 amount set by the director.

11 SECTION 2.11. Section 487.104(a), Health and Safety Code,
12 is amended to read as follows:

13 (a) The department shall issue or renew a license under this
14 subchapter [~~to operate as a dispensing organization~~] only if:

15 (1) the department determines the applicant meets the
16 eligibility requirements described by Section 487.102 or 487.1021,
17 as applicable; and

18 (2) issuance or renewal of the license is necessary to
19 ensure reasonable statewide access to, and the availability of,
20 medical [~~low-THC~~] cannabis for patients registered in the
21 compassionate-use registry and for whom medical [~~low-THC~~] cannabis
22 is prescribed under Chapter 169, Occupations Code.

23 SECTION 2.12. Sections 487.105(a) and (b), Health and
24 Safety Code, are amended to read as follows:

25 (a) An applicant for the issuance or renewal of a license
26 under this subchapter [~~to operate as a dispensing organization~~]
27 shall provide the department with the applicant's name and the name

1 of each of the applicant's directors, managers, and employees.

2 (b) Before a license holder under this subchapter
3 [~~dispensing organization licensee~~] hires a manager or employee for
4 the organization or facility, the license holder [~~licensee~~] must
5 provide the department with the name of the prospective manager or
6 employee. The license holder [~~licensee~~] may not transfer the
7 license to another person before that prospective applicant and the
8 applicant's directors, managers, and employees pass a criminal
9 history background check and are registered as required by
10 Subchapter D.

11 SECTION 2.13. Sections [487.106](#) and [487.107](#), Health and
12 Safety Code, are amended to read as follows:

13 Sec. 487.106. DUTY TO MAINTAIN ELIGIBILITY. Each license
14 holder under this subchapter [~~A dispensing organization~~] must
15 maintain compliance at all times with the eligibility requirements
16 described by Section [487.102](#) or 487.1021, as applicable.

17 Sec. 487.107. DUTIES RELATING TO DISPENSING PRESCRIPTION.

18 (a) Before dispensing medical [~~low-THC~~] cannabis to a person for
19 whom the medical [~~low-THC~~] cannabis is prescribed under Chapter
20 [169](#), Occupations Code, the dispensing organization must verify that
21 the prescription presented:

22 (1) is for a person listed as a patient in the
23 compassionate-use registry;

24 (2) matches the entry in the compassionate-use
25 registry with respect to the total amount of medical [~~low-THC~~]
26 cannabis required to fill the prescription; and

27 (3) has not previously been filled by a dispensing

1 organization as indicated by an entry in the compassionate-use
2 registry.

3 (b) After dispensing medical [~~low-THC~~] cannabis to a
4 patient for whom the medical [~~low-THC~~] cannabis is prescribed under
5 Chapter 169, Occupations Code, the dispensing organization shall
6 record in the compassionate-use registry the form and quantity of
7 medical [~~low-THC~~] cannabis dispensed and the date and time of
8 dispensation.

9 SECTION 2.14. Sections 487.108(a), (b), and (c), Health and
10 Safety Code, are amended to read as follows:

11 (a) The department may at any time suspend or revoke a
12 license issued under this subchapter [~~chapter~~] if the department
13 determines that the license holder [~~licensee~~] has not maintained
14 the eligibility requirements described by Section 487.102 or
15 487.1021, as applicable, or has failed to comply with a duty imposed
16 under this subchapter [~~chapter~~].

17 (b) The director shall give written notice to the license
18 holder [~~dispensing organization~~] of a license suspension or
19 revocation under this section and the grounds for the suspension or
20 revocation. The notice must be sent by certified mail, return
21 receipt requested.

22 (c) After suspending or revoking a license issued under this
23 subchapter [~~chapter~~], the director may seize or place under seal
24 all medical [~~low-THC~~] cannabis and drug paraphernalia owned or
25 possessed by the dispensing organization or cannabis testing
26 facility. If the director orders the revocation of the license, a
27 disposition may not be made of the seized or sealed medical

1 [~~low-THC~~] cannabis or drug paraphernalia until the time for
2 administrative appeal of the order has elapsed or until all appeals
3 have been concluded. When a revocation order becomes final, all
4 medical [~~low-THC~~] cannabis and drug paraphernalia may be forfeited
5 to the state as provided under Subchapter E, Chapter 481.

6 SECTION 2.15. Section 487.151, Health and Safety Code, is
7 amended by adding Subsection (a-1) to read as follows:

8 (a-1) An individual who is a director, manager, or employee
9 of a cannabis testing facility must apply for and obtain a
10 registration under this section.

11 SECTION 2.16. Section 487.201, Health and Safety Code, is
12 amended to read as follows:

13 Sec. 487.201. COUNTIES AND MUNICIPALITIES MAY NOT PROHIBIT
14 MEDICAL [~~LOW-THC~~] CANNABIS. A municipality, county, or other
15 political subdivision may not enact, adopt, or enforce a rule,
16 ordinance, order, resolution, or other regulation that prohibits
17 the cultivation, production, dispensing, testing, or possession of
18 medical [~~low-THC~~] cannabis, as authorized by this chapter.

19 ARTICLE 3. CONFORMING CHANGES

20 SECTION 3.01. Section 161.001(c), Family Code, is amended
21 to read as follows:

22 (c) A court may not make a finding under Subsection (b) and
23 order termination of the parent-child relationship based on
24 evidence that the parent:

- 25 (1) homeschooled the child;
- 26 (2) is economically disadvantaged;
- 27 (3) has been charged with a nonviolent misdemeanor

1 offense other than:

- 2 (A) an offense under Title 5, Penal Code;
- 3 (B) an offense under Title 6, Penal Code; or
- 4 (C) an offense that involves family violence, as
- 5 defined by Section 71.004 of this code;
- 6 (4) provided or administered medical [~~low-THC~~]
- 7 cannabis to a child for whom the medical [~~low-THC~~] cannabis was
- 8 prescribed under Chapter 169, Occupations Code; or
- 9 (5) declined immunization for the child for reasons of
- 10 conscience, including a religious belief.

11 SECTION 3.02. Section 262.116(a), Family Code, is amended
12 to read as follows:

13 (a) The Department of Family and Protective Services may not
14 take possession of a child under this subchapter based on evidence
15 that the parent:

- 16 (1) homeschooled the child;
- 17 (2) is economically disadvantaged;
- 18 (3) has been charged with a nonviolent misdemeanor
- 19 offense other than:

- 20 (A) an offense under Title 5, Penal Code;
- 21 (B) an offense under Title 6, Penal Code; or
- 22 (C) an offense that involves family violence, as
- 23 defined by Section 71.004 of this code;
- 24 (4) provided or administered medical [~~low-THC~~]
- 25 cannabis to a child for whom the medical [~~low-THC~~] cannabis was
- 26 prescribed under Chapter 169, Occupations Code; or
- 27 (5) declined immunization for the child for reasons of

1 conscience, including a religious belief.

2 SECTION 3.03. Section 481.062(a), Health and Safety Code,
3 is amended to read as follows:

4 (a) The following persons may possess a controlled
5 substance under this chapter without registering with the Federal
6 Drug Enforcement Administration:

7 (1) an agent or employee of a manufacturer,
8 distributor, analyzer, or dispenser of the controlled substance who
9 is registered with the Federal Drug Enforcement Administration and
10 acting in the usual course of business or employment;

11 (2) a common or contract carrier, a warehouseman, or
12 an employee of a carrier or warehouseman whose possession of the
13 controlled substance is in the usual course of business or
14 employment;

15 (3) an ultimate user or a person in possession of the
16 controlled substance under a lawful order of a practitioner or in
17 lawful possession of the controlled substance if it is listed in
18 Schedule V;

19 (4) an officer or employee of this state, another
20 state, a political subdivision of this state or another state, or
21 the United States who is lawfully engaged in the enforcement of a
22 law relating to a controlled substance or drug or to a customs law
23 and authorized to possess the controlled substance in the discharge
24 of the person's official duties;

25 (5) if the substance is tetrahydrocannabinol or one of
26 its derivatives:

27 (A) a Department of State Health Services

1 official, a medical school researcher, or a research program
2 participant possessing the substance as authorized under
3 Subchapter G; or

4 (B) a practitioner or an ultimate user possessing
5 the substance as a participant in a federally approved therapeutic
6 research program that the commissioner has reviewed and found, in
7 writing, to contain a medically responsible research protocol; or

8 (6) a dispensing organization or cannabis testing
9 facility licensed under Subchapter C, Chapter 487, that possesses
10 medical [~~low-THC~~] cannabis.

11 SECTION 3.04. Sections 481.111(e) and (f), Health and
12 Safety Code, are amended to read as follows:

13 (e) Sections 481.120, 481.121, 481.122, and 481.125 do not
14 apply to a person who engages in the acquisition, possession,
15 production, cultivation, delivery, or disposal of a raw material
16 used in or by-product created by the production or cultivation of
17 medical [~~low-THC~~] cannabis if the person:

18 (1) for an offense involving possession only of
19 marihuana or drug paraphernalia:

20 (A) [~~r~~] is a patient for whom medical [~~low-THC~~]
21 cannabis is prescribed under Chapter 169, Occupations Code, [~~or~~]
22 the patient's legal guardian, or the patient's designated caregiver
23 or alternate caregiver; and

24 (B) [~~the person~~] possesses medical [~~low-THC~~]
25 cannabis obtained under a valid prescription from a dispensing
26 organization; or

27 (2) is a director, manager, or employee of a

1 dispensing organization or cannabis testing facility and the
2 person, solely in performing the person's regular duties at the
3 organization or facility, acquires, possesses, produces,
4 cultivates, dispenses, or disposes of:

5 (A) in reasonable quantities, any medical
6 ~~[low-THC]~~ cannabis or raw materials used in or by-products created
7 by the production or cultivation of medical ~~[low-THC]~~ cannabis; or

8 (B) any drug paraphernalia used in the
9 acquisition, possession, production, cultivation, delivery, or
10 disposal of medical ~~[low-THC]~~ cannabis.

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

12 (1) "Cannabis testing facility" and "dispensing
13 organization" have the meanings ~~["Dispensing organization" has the~~
14 ~~meaning]~~ assigned by Section 487.001.

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

17 SECTION 3.05. Section 551.004, Occupations Code, is amended
18 by amending Subsection (a) and adding Subsection (a-1) to read as
19 follows:

20 (a) This subtitle does not apply to:

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

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

1 (3) a person who procures prescription drugs for
2 lawful research, teaching, or testing and not for resale;

3 (4) a home and community support services agency that
4 possesses a dangerous drug as authorized by Section 142.0061,
5 142.0062, or 142.0063, Health and Safety Code; ~~[or]~~

6 (5) a dispensing organization~~[, as defined by Section~~
7 ~~487.001, Health and Safety Code,~~] that cultivates, processes, and
8 dispenses medical ~~[low-THC]~~ cannabis, as authorized by a license
9 issued under Subchapter C, Chapter 487, Health and Safety Code, to a
10 patient listed in the compassionate-use registry established under
11 that chapter; or

12 (6) a cannabis testing facility that analyzes the
13 safety and potency of medical cannabis, as authorized by a license
14 issued under Subchapter C, Chapter 487, Health and Safety Code.

15 (a-1) For purposes of Subsections (a)(5) and (6), "cannabis
16 testing facility" and "dispensing organization" have the meanings
17 assigned by Section 487.001, Health and Safety Code.

18 ARTICLE 4. STUDY AND REPORT

19 SECTION 4.01. In this article, "department" means the
20 Department of Public Safety of the State of Texas.

21 SECTION 4.02. The department, in consultation with a
22 nationally accredited research university, shall conduct a study
23 regarding whether application and licensing fees for dispensing
24 organizations and cannabis testing facilities are impediments to
25 the entrance of new dispensing organizations and cannabis testing
26 facilities into the market in this state.

27 SECTION 4.03. Not later than December 1, 2020, the

1 department shall submit to the legislature a report on the
2 conclusions from the study under this article, including any
3 legislative recommendations.

4 ARTICLE 5. TRANSITIONS AND EFFECTIVE DATE

5 SECTION 5.01. Not later than October 1, 2019, the public
6 safety director of the Department of Public Safety shall adopt
7 rules as required to implement, administer, and enforce Chapter
8 487, Health and Safety Code, as amended by this Act.

9 SECTION 5.02. (a) A license to operate as a dispensing
10 organization issued under Chapter 487, Health and Safety Code,
11 before the effective date of this Act continues to be valid after
12 the effective date of this Act until that license expires.

13 (b) The registration of a director, manager, or employee of
14 a dispensing organization under Subchapter D, Chapter 487, Health
15 and Safety Code, continues to be valid after the effective date of
16 this Act until that registration expires.

17 (c) Not later than March 1, 2020, the Department of Public
18 Safety shall begin licensing cannabis testing facilities in
19 accordance with Subchapter C, Chapter 487, Health and Safety Code,
20 as amended by this Act, provided that the applicants for a license
21 have met all requirements for approval under that subchapter.

22 SECTION 5.03. This Act takes effect immediately if it
23 receives a vote of two-thirds of all the members elected to each
24 house, as provided by Section 39, Article III, Texas Constitution.
25 If this Act does not receive the vote necessary for immediate
26 effect, this Act takes effect September 1, 2019.