

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION**

**April 11, 2019**

**TO:** Honorable Senfronia Thompson, Chair, House Committee on Public Health

**FROM:** John McGeady, Assistant Director     Sarah Keyton, Assistant Director  
Legislative Budget Board

**IN RE: HB4508** by Lucio III (Relating to exempting CBD oil from the Texas Controlled Substances Act.), **As Introduced**

The fiscal impact of implementing the bill is indeterminate due to the lack of data necessary to determine the number of people who are prosecuted under current statute for the possession or delivery of substances containing CBD oil. These data are necessary to estimate the fiscal impact of the bill's provisions.

The bill would amend the Health and Safety Code to exempt CBD oil from the Texas Controlled Substances Act. Under current statute, the possession or delivery of substances containing this oil is punished under the offenses of possession or delivery of marihuana as both a misdemeanor and felony with the punishment level based on the specific circumstances of the offense.

Reducing the list of behaviors for which a criminal penalty can be applied is expected to result in fewer demands upon the correctional resources of counties or of the state due to a decrease in individuals placed under community supervision or sentenced to a term of confinement within state correctional institutions. The bill may have a positive fiscal impact by decreasing the number of people placed under felony community supervision or incarcerated within state correctional institutions. Whether the bill would result in a significant fiscal impact cannot be determined due to the lack of data or information related to the number of people who are prosecuted under current statute for the possession or delivery of substances containing CBD oil as outlined in the bill's provisions. The Office of Court Administration, the Board of Pharmacy, and the Department of State Health Services indicate the modifications outlined in the bill's provisions will not result in a significant fiscal impact.

**Local Government Impact**

The impact to local governments cannot be determined.

**Source Agencies:**     212 Office of Court Administration, Texas Judicial Council, 405  
Department of Public Safety, 503 Texas Medical Board, 515 Board of  
Pharmacy, 537 State Health Services, Department of, 696 Department of  
Criminal Justice

**LBB Staff:** WP, AKi, LM, JPo, SMi, AMa