

By: Eckhardt

S.B. No. 1345

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of the cultivation, manufacture, processing, distribution, sale, testing, transportation, delivery, transfer, possession, and use of cannabis and cannabis products; authorizing the imposition of fees; requiring an occupational license; creating a criminal offense.

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

SECTION 1. Subtitle C, Title 6, Health and Safety Code, is amended by adding Chapter 491 to read as follows:

CHAPTER 491. REGULATION OF CANNABIS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 491.0001. DEFINITIONS. In this chapter:

(1) "Adult" means an individual 21 years of age or older.

(2) "Cannabis" 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 includes cannabis concentrate. The term does not include:

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

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

(C) a compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, fiber, oil, or cake;

1 or

2 (D) the sterilized seeds of the plant that are  
3 incapable of beginning germination.

4 (3) "Cannabis concentrate" means the resin extracted  
5 from a part of the plant Cannabis sativa L. or a compound,  
6 manufacture, salt, derivative, mixture, or preparation of the  
7 resin.

8 (4) "Cannabis establishment" means an entity licensed  
9 by the department under this chapter to process and dispense  
10 cannabis and cannabis products to an adult.

11 (5) "Cannabis grower" means an entity licensed by the  
12 department to cultivate cannabis for sale and distribution to a  
13 cannabis establishment.

14 (6) "Cannabis product" means a product that contains  
15 cannabis and is intended for use or consumption by humans,  
16 including as an edible product or as a topical product, ointment,  
17 oil, or tincture. The term includes products that consist of  
18 cannabis and other ingredients.

19 (7) "Cannabis-related drug paraphernalia" means  
20 equipment, a product, or material that is used or intended for use  
21 in:

22 (A) planting, propagating, cultivating, growing,  
23 harvesting, manufacturing, compounding, converting, producing,  
24 processing, preparing, testing, analyzing, packaging, repackaging,  
25 storing, or containing cannabis or a cannabis product; or

26 (B) introducing cannabis or a cannabis product  
27 into the human body.

1           (8) "Cannabis secure transporter" means an entity  
2 licensed by the department under this chapter to transport cannabis  
3 from a cannabis grower to a cannabis establishment.

4           (9) "Cannabis testing facility" means an entity  
5 licensed by the department under this chapter to analyze the safety  
6 and potency of cannabis and cannabis products.

7           (10) "Commission" means the Texas Commission of  
8 Licensing and Regulation.

9           (11) "Cultivate" means to propagate, breed, grow,  
10 harvest, dry, cure, or separate parts of the cannabis plant by  
11 manual or mechanical means.

12           (12) "Department" means the Texas Department of  
13 Licensing and Regulation.

14           (13) "Executive director" means the executive  
15 director of the department.

16           (14) "Marihuana" has the meaning assigned by Section  
17 [481.002](#).

18           (15) "Process" means to separate or otherwise prepare  
19 parts of the cannabis plant and to compound, blend, extract,  
20 infuse, or otherwise make or prepare cannabis concentrate or  
21 cannabis products.

22       SUBCHAPTER B. PROTECTIONS FROM LEGAL ACTION RELATED TO CANNABIS

23       Sec. 491.0051. AUTHORIZED CONDUCT: PERSONAL USE OF  
24 CANNABIS. An adult is authorized under this chapter to:

25           (1) use, possess, and transport not more than 2.5  
26 ounces of cannabis, except that not more than 15 grams of that  
27 amount may be in the form of cannabis concentrate;

1           (2) transfer without remuneration to another adult not  
2 more than 2.5 ounces of cannabis, except that not more than 15 grams  
3 of that amount may be in the form of cannabis concentrate and  
4 provided that the transfer is not advertised or promoted to the  
5 public;

6           (3) cultivate for personal use not more than 12  
7 cannabis plants in an area on the premises of the adult's private  
8 residence, provided that the cultivation occurs in an enclosed area  
9 that is:

10                   (A) equipped with locks or other security devices  
11 that restrict access to the area; and

12                   (B) not visible from a public place without the  
13 use of aircraft or optical aids;

14           (4) possess, store, or process on the premises of the  
15 adult's private residence not more than:

16                   (A) the amount of cannabis produced from cannabis  
17 plants cultivated on the premises, provided that:

18                           (i) not more than 12 cannabis plants are  
19 possessed, cultivated, or processed on the premises at one time;  
20 and

21                           (ii) any amount of cannabis in excess of 2.5  
22 ounces is stored in a container or area equipped with locks or other  
23 security devices that restrict access to the contents of the  
24 container or area; and

25                   (B) 10 ounces of cannabis that were not produced  
26 from cannabis plants cultivated on the premises, provided that the  
27 amount in excess of 2.5 ounces is stored in a container or area

1 described by Paragraph (A)(ii);

2 (5) use, possess, process, transport, or transfer to  
3 another adult without remuneration an amount of cannabis products  
4 specified by rule of the commission as the allowable amount of  
5 cannabis for purposes of this subdivision; and

6 (6) use, possess, transport, or transfer to another  
7 adult without remuneration cannabis-related drug paraphernalia.

8 Sec. 491.0052. AUTHORIZED CONDUCT: RETAIL CANNABIS  
9 OPERATIONS. This chapter authorizes the conduct of:

10 (1) a cannabis grower director, manager, or employee  
11 who, acting within the scope of the grower's license:

12 (A) cultivates cannabis or produces cannabis  
13 products for sale or transfer to a cannabis establishment; and

14 (B) possesses cannabis or cannabis-related drug  
15 paraphernalia;

16 (2) a cannabis establishment director, manager, or  
17 employee who, acting within the scope of the establishment's  
18 license, possesses cannabis or cannabis products or transfers or  
19 sells cannabis, cannabis products, or cannabis-related drug  
20 paraphernalia to an adult;

21 (3) a cannabis secure transporter director, manager,  
22 or employee who, acting within the scope of the secure  
23 transporter's license, transports, transfers, or delivers cannabis  
24 or cannabis products from a cannabis grower to a cannabis  
25 establishment; and

26 (4) a cannabis testing facility director, manager, or  
27 employee who, acting within the scope of the facility's license,

1 possesses or tests cannabis, cannabis products, or  
2 cannabis-related drug paraphernalia.

3 Sec. 491.0053. PROTECTION FROM LEGAL ACTION FOR AUTHORIZED  
4 CONDUCT. (a) A person is not subject to arrest, prosecution,  
5 forfeiture of property, or penalty in any manner or denial of any  
6 right or privilege, including any civil penalty or disciplinary  
7 action by a court or occupational or professional licensing board  
8 or bureau solely due to conduct authorized under Section 491.0051  
9 or 491.0052.

10 (b) The fact that a person engages in conduct authorized by  
11 Section 491.0051 or 491.0052 does not in itself constitute grounds  
12 for denying, limiting, or restricting conservatorship or  
13 possession of or access to a child under Title 5, Family Code.

14 Sec. 491.0054. PROHIBITION OF CANNABIS ON PRIVATE PROPERTY;  
15 EXCEPTION. (a) Except as otherwise provided by Subsection (b), a  
16 person may prohibit or restrict the possession, consumption,  
17 cultivation, distribution, processing, sale, or display of  
18 cannabis or cannabis products on property the person owns,  
19 occupies, or manages.

20 (b) A person may not prohibit a residential tenant under a  
21 lease agreement from possessing cannabis, cannabis products, or  
22 cannabis-related drug paraphernalia or consuming cannabis by means  
23 other than smoking on the premises.

24 Sec. 491.0055. CONDUCT NOT AUTHORIZED UNDER THIS CHAPTER.  
25 This chapter does not authorize the following conduct:

26 (1) operating a motor vehicle while intoxicated or  
27 otherwise violating Chapter 49, Penal Code;

- 1           (2) smoking or otherwise consuming cannabis in:  
2           (A) a motor vehicle while the vehicle is on a  
3 public road;  
4           (B) an aircraft, while the aircraft is in flight  
5 or in a public area;  
6           (C) a watercraft, while the watercraft is on a  
7 public waterway; or  
8           (D) a public place, unless:  
9           (i) the public place is an area designated  
10 by the applicable political subdivision as an area where using  
11 cannabis is permissible; and  
12           (ii) the area described by Subparagraph (i)  
13 is not accessible to persons younger than 21 years of age;  
14           (3) possessing or consuming cannabis or cannabis  
15 products or possessing cannabis-related drug paraphernalia:  
16           (A) on the premises of a public or private  
17 child-care facility, prekindergarten, or primary or secondary  
18 school;  
19           (B) on a school bus that serves a facility or  
20 school described by Paragraph (A); or  
21           (C) on the premises of a correctional facility,  
22 as defined by Article 18A.251, Code of Criminal Procedure, or a  
23 civil commitment facility; or  
24           (4) separating resin from the cannabis plant by butane  
25 extraction or another method that uses a substance with a  
26 flashpoint below 100 degrees Fahrenheit in a public place or motor  
27 vehicle or within the curtilage of a residential structure.

1                   SUBCHAPTER C. DUTIES OF DEPARTMENT

2           Sec. 491.0101. DUTIES OF DEPARTMENT. The department shall  
3 administer this chapter.

4           Sec. 491.0102. RULES; FEES. (a) The commission shall adopt  
5 all necessary rules for the administration and enforcement of this  
6 chapter, including rules imposing fees under this chapter in  
7 amounts sufficient to cover the cost of administering this chapter.

8           (b) The commission by rule shall set application and license  
9 fees under this chapter in amounts sufficient to administer this  
10 chapter and may annually adjust the fees for inflation.

11           (c) A fee collected under this chapter shall be deposited to  
12 the credit of the cannabis regulation account established under  
13 Section 491.0251.

14           (d) The commission shall adopt rules for the reasonable  
15 regulation of cannabis growers and cannabis establishments,  
16 including rules that:

17                   (1) restrict the use of dangerous pesticides;

18                   (2) regulate the packaging and labeling of cannabis  
19 products available at a cannabis establishment;

20                   (3) restrict advertising and display of cannabis and  
21 cannabis products;

22                   (4) restrict the maximum amount of  
23 tetrahydrocannabinol that may be contained in a cannabis product  
24 sold to a consumer;

25                   (5) require recordkeeping and monitoring to track the  
26 transfer of cannabis and cannabis products between license holders;  
27 and



1           (6) require security measures, provided that the  
2 security measures do not restrict the cultivation of cannabis  
3 outdoors or in greenhouses.

4           Sec. 491.0103. TESTING, PACKAGING, AND LABELING STANDARDS.

5 (a) The commission by rule shall establish standards for:

- 6           (1) the operation of cannabis testing facilities;  
7           (2) the testing of cannabis and cannabis products; and  
8           (3) packaging and labeling requirements for cannabis  
9 and cannabis products.

10          (b) In establishing standards for packaging and labeling  
11 requirements under Subsection (a)(3), the commission shall require  
12 that:

13           (1) cannabis and cannabis products be packaged in  
14 opaque, resealable, child-resistant packaging that does not  
15 resemble and may not be easily confused with typical packaging for  
16 commercially sold candy;

17           (2) cannabis and cannabis products be clearly labeled;  
18 and

19           (3) the label for a cannabis product disclose the  
20 amount of cannabis contained in that product.

21          Sec. 491.0104. SECURE TRANSPORTATION OF CANNABIS. The  
22 commission by rule shall establish standards applicable to cannabis  
23 secure transporters, including standards to ensure all cannabis  
24 establishments are properly served.

25          Sec. 491.0105. CONFLICT OF INTEREST. (a) A person who is  
26 involved in the implementation, administration, or enforcement of  
27 this chapter as a member of the commission, an employee of the

1 department, or a consultant to the commission or the department may  
2 not also hold a pecuniary interest in any entity licensed by the  
3 department under this chapter.

4 (b) A person who holds a pecuniary interest in a cannabis  
5 testing facility or a cannabis secure transporter who holds a  
6 license issued under this chapter may not hold a pecuniary interest  
7 in any entity that holds a cannabis establishment or cannabis  
8 grower license issued under this chapter.

9 (c) A person may not hold a pecuniary interest in more than  
10 five entities that are licensed under this chapter as a cannabis  
11 grower, except as provided by department rule.

12 Sec. 491.0106. ANNUAL REPORT. The executive director shall  
13 annually submit to the governor a report providing the following  
14 information regarding licensing and regulation under this chapter:

15 (1) the number of applications received for each class  
16 of license under this chapter;

17 (2) the number of licenses issued for each class of  
18 license under this chapter;

19 (3) demographic information pertaining to license  
20 holders;

21 (4) a description of any fines imposed on a license  
22 holder or disciplinary actions taken against a license holder by  
23 the department; and

24 (5) a statement of revenues and expenses of the  
25 department related to the implementation, administration, and  
26 enforcement of this chapter.

1                   SUBCHAPTER D. LICENSING

2           Sec. 491.0151. LICENSE REQUIRED. A person must hold a  
3 license issued by the department under this chapter to operate as a  
4 cannabis grower, cannabis establishment, cannabis secure  
5 transporter, or cannabis testing facility.

6           Sec. 491.0152. QUALIFICATIONS FOR LICENSURE. The  
7 commission by rule shall provide for each class of license issued  
8 under this chapter qualifications for licensure that are  
9 demonstrably related to the operations authorized and duties  
10 imposed under that class of license.

11           Sec. 491.0153. APPLICATION. (a) A person may apply for an  
12 initial or renewal license under this chapter by submitting a form  
13 prescribed by the department along with the application fee in an  
14 amount set by the commission.

15           (b) The application must indicate the class of license  
16 sought and include the name and address of the applicant, the name  
17 and address of each of the applicant's directors, managers, and  
18 employees, and any other information considered necessary by the  
19 department to determine the applicant's eligibility for the  
20 license.

21           Sec. 491.0154. ISSUANCE, RENEWAL, OR DENIAL OF LICENSE.

22           (a) The department shall issue or renew a license under this  
23 chapter only if:

24                   (1) the department determines the applicant meets the  
25 qualifications for the class of license sought established under  
26 Section 491.0152; and

27                   (2) the applicant is in compliance with any applicable

1 local regulations.

2 (b) If the department denies the issuance or renewal of a  
3 license under Subsection (a), the department shall give written  
4 notice of the grounds for denial to the applicant.

5 (c) A license issued or renewed under this section expires  
6 as determined by the department in accordance with Section 411.511,  
7 Government Code.

8 Sec. 491.0155. DUTY TO MAINTAIN QUALIFICATIONS. A license  
9 holder shall maintain compliance at all times with the  
10 qualifications for the applicable class of license established  
11 under Section 491.0152.

12 Sec. 491.0156. LICENSE SUSPENSION OR REVOCATION. (a) The  
13 department may at any time suspend or revoke a license issued under  
14 this chapter if the department determines that the license holder  
15 has not maintained the qualifications established under Section  
16 491.0152 or has failed to comply with a duty imposed under this  
17 chapter.

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

22 (c) After suspending or revoking a license issued under this  
23 chapter, the department shall notify the Department of Public  
24 Safety. The public safety director of the Department of Public  
25 Safety may seize or place under seal all cannabis, cannabis  
26 products, and cannabis-related drug paraphernalia owned or  
27 possessed by the license holder. If the license is revoked, a

1 disposition may not be made of the seized or sealed cannabis,  
2 cannabis products, or drug paraphernalia until the time for  
3 administrative appeal of the order has elapsed or until all appeals  
4 have been concluded. When a revocation order becomes final, all  
5 cannabis, cannabis products, and drug paraphernalia may be  
6 forfeited to the state as provided under Subchapter E, Chapter 481.

7 (d) Chapter 2001, Government Code, applies to a proceeding  
8 under this section.

9 Sec. 491.0157. CRIMINAL HISTORY BACKGROUND CHECK. (a) In  
10 addition to satisfying the other requirements provided by  
11 commission rule under this chapter, an applicant for a license  
12 under this chapter must submit to the department a complete and  
13 legible set of fingerprints, on a form prescribed by the  
14 commission, for the purpose of obtaining criminal history record  
15 information from the Department of Public Safety and the Federal  
16 Bureau of Investigation.

17 (b) The department may deny a license to an applicant who  
18 does not comply with the requirement of Subsection (a). Issuance of  
19 a license by the department is conditioned on the department  
20 obtaining the applicant's criminal history record information  
21 under this section.

22 (c) The commission by rule shall establish criteria for  
23 determining whether a person passes the criminal history background  
24 check for purposes of this section. The rules adopted under this  
25 section may not disqualify a person for licensure solely for a  
26 conviction of an offense that involves the possession of marihuana  
27 or the delivery of marihuana to a person 18 years of age or older.

1                   SUBCHAPTER E. DUTIES OF LICENSE HOLDERS

2                   Sec. 491.0201. DUTIES RELATING TO DISPENSING CANNABIS OR  
3 CANNABIS PRODUCTS. Before dispensing cannabis or cannabis products  
4 to an adult, a cannabis establishment must make reasonable efforts  
5 to verify that:

6                   (1) the person receiving the cannabis or cannabis  
7 product is an adult;

8                   (2) the cannabis or cannabis product complies with  
9 department testing and labeling rules; and

10                   (3) the amount dispensed is not greater than the  
11 amount of cannabis or cannabis product allowed for personal use as  
12 provided by Section 491.0051.

13                   Sec. 491.0202. DUTIES RELATING TO SECURITY. (a) A license  
14 holder shall ensure that the cultivation, processing, sale, or  
15 display of cannabis, cannabis products, and cannabis-related drug  
16 paraphernalia is not visible from a public place without the use of  
17 optical aids or aircraft.

18                   (b) A license holder may not cultivate, process, store, or  
19 sell cannabis, cannabis products, or cannabis-related drug  
20 paraphernalia at a location other than the physical address  
21 approved by the department for the establishment under the license  
22 issued to the establishment under this chapter.

23                   (c) A license holder shall adopt reasonable security  
24 measures necessary to restrict access to areas where cannabis,  
25 cannabis products, or cannabis-related drug paraphernalia are  
26 stored and to prevent theft of cannabis, cannabis products, and  
27 cannabis-related drug paraphernalia.

1       Sec. 491.0203. LICENSE HOLDER OPERATIONS. (a) A license  
2 holder may not employ or otherwise accept the services of a person  
3 younger than 21 years of age.

4       (b) A cannabis establishment may not sell tobacco products,  
5 as defined by Section 155.001, Tax Code.

6       Sec. 491.0204. MONTHLY SALES REPORT. A cannabis  
7 establishment shall monthly submit a report to the comptroller  
8 specifying the amount of cannabis sold, the number of cannabis  
9 products sold, the number and types of cannabis-related drug  
10 paraphernalia sold, and the amount of money collected in sales by  
11 the establishment during the preceding month.

12                   SUBCHAPTER F. FUNDING FOR REGULATION

13       Sec. 491.0251. CANNABIS REGULATION ACCOUNT. (a) The  
14 cannabis regulation account is an account in the general revenue  
15 fund administered by the department.

16       (b) The account consists of fees deposited to the credit of  
17 the account under Section 491.0102.

18       (c) Money in the account may be appropriated only to the  
19 department for implementing and administering this chapter.

20                   SUBCHAPTER G. LOCAL REGULATION

21       Sec. 491.0301. LOCAL AUTHORIZATION REQUIRED. A license  
22 holder under this chapter may not operate in a county without the  
23 authorization of an election held under this subchapter.

24       Sec. 491.0302. ELECTION. (a) The commissioners court of a  
25 county may order an election to approve the operation of cannabis  
26 growers, cannabis establishments, or cannabis testing facilities  
27 in the county.

1 (b) A commissioners court of a county shall hold the  
2 election on the first authorized uniform election date prescribed  
3 by Chapter 41, Election Code, that allows sufficient time for  
4 compliance with any requirements established by law.

5 (c) The ballot in the election shall be printed to provide  
6 for voting for or against the proposition: "Authorizing (cannabis  
7 growers, cannabis establishments, or cannabis testing facilities,  
8 as applicable) to operate in (name of county)."

9 Sec. 491.0303. LOCAL REGULATION. A county that authorizes  
10 the operation of cannabis growers, cannabis establishments, or  
11 cannabis testing facilities in the county may adopt regulations  
12 consistent with this chapter governing the hours of operation,  
13 location, manner of conducting business, and number of cannabis  
14 growers, cannabis establishments, or cannabis testing facilities.

15 SUBCHAPTER H. SALE OR DISTRIBUTION OF CANNABIS OR CANNABIS PRODUCT  
16 TO MINORS PROHIBITED

17 Sec. 491.0351. DEFINITION. In this subchapter, "minor"  
18 means a person younger than 21 years of age.

19 Sec. 491.0352. SALE OR DISTRIBUTION OF CANNABIS OR CANNABIS  
20 PRODUCT TO MINORS PROHIBITED; PROOF OF AGE REQUIRED. (a) A person  
21 commits an offense if the person, under the authority of this  
22 chapter:

23 (1) sells, gives, or causes to be sold or given  
24 cannabis or cannabis products to a minor; or

25 (2) sells, gives, or causes to be sold or given  
26 cannabis or cannabis products to another person who intends to  
27 deliver the cannabis or cannabis products to a minor.



1        (b) If an offense under this section occurs in connection  
2 with a sale by an employee of the owner of a cannabis establishment,  
3 the employee is criminally responsible for the offense and is  
4 subject to prosecution.

5        (c) An offense under this section is a Class C misdemeanor.

6        (d) It is a defense to prosecution under Subsection (a)(1)  
7 that the person to whom the cannabis or cannabis products were sold  
8 or given presented to the defendant apparently valid proof of  
9 identification.

10       (e) A proof of identification satisfies the requirements of  
11 Subsection (d) if it contains a physical description and photograph  
12 consistent with the person's appearance, purports to establish that  
13 the person is 21 years of age or older, and was issued by a  
14 governmental agency. The proof of identification may include a  
15 driver's license issued by this state or another state, a passport,  
16 or an identification card issued by a state or the federal  
17 government.

18       SECTION 2. Section [122.103\(c\)](#), Agriculture Code, is amended  
19 to read as follows:

20       (c) A qualified applicant who along with the application  
21 submits proof to the department that the applicant holds a license  
22 under Chapter [487](#) or [491](#), Health and Safety Code, is not required to  
23 pay an application fee, and the department shall issue the license  
24 to the applicant within the time prescribed by Subsection (b).

25       SECTION 3. Section [411.0891\(a\)](#), Government Code, is amended  
26 to read as follows:

27       (a) Subject to Section [411.087](#), the department is

1 authorized to obtain and use criminal history record information  
2 maintained by the Federal Bureau of Investigation or the department  
3 that relates to a person who:

4 (1) is an applicant for or holds a registration issued  
5 by the director under Subchapter C, Chapter 481, Health and Safety  
6 Code, that authorizes the person to manufacture, distribute,  
7 analyze, or conduct research with a controlled substance;

8 (2) is an applicant for or holds a registration issued  
9 by the department under Chapter 487, Health and Safety Code, to be a  
10 director, manager, or employee of a dispensing organization, as  
11 defined by Section 487.001, Health and Safety Code;

12 (2-a) is an applicant for or holds a license issued by  
13 the department under Chapter 491, Health and Safety Code, to be a  
14 cannabis grower, cannabis establishment, cannabis secure  
15 transporter, or cannabis testing facility, as those terms are  
16 defined by Section 491.0001, Health and Safety Code;

17 (3) is an applicant for or holds an authorization  
18 issued by the department under Section 521.2476, Transportation  
19 Code, to do business in this state as a vendor of ignition interlock  
20 devices;

21 (4) is an applicant for or holds certification by the  
22 department as an inspection station or an inspector under  
23 Subchapter G, Chapter 548, Transportation Code, holds an inspection  
24 station or inspector certificate issued under that subchapter, or  
25 is the owner of an inspection station operating under that chapter;  
26 or

27 (5) is an applicant for or holds a certificate of

1 registration issued by the department under Chapter 1956,  
2 Occupations Code, to act as a metal recycling entity.

3 SECTION 4. Section 411.502, Government Code, is amended to  
4 read as follows:

5 Sec. 411.502. APPLICABILITY. This subchapter applies to a  
6 program, and persons regulated under the program, administered by  
7 the department under the following laws, including rules adopted  
8 under those laws:

9 (1) Section 411.0625;

10 (2) Chapter 487, Health and Safety Code;

11 (2-a) Chapter 491, Health and Safety Code;

12 (3) Chapter 1702, Occupations Code;

13 (4) Chapter 1956, Occupations Code;

14 (5) Section 521.2476, Transportation Code; and

15 (6) Subchapter G, Chapter 548, Transportation Code.

16 SECTION 5. Section 443.202(a), Health and Safety Code, is  
17 amended to read as follows:

18 (a) This section does not apply to low-THC cannabis  
19 regulated under Chapter 487 or cannabis regulated under Chapter  
20 491.

21 SECTION 6. Section 443.2025(a), Health and Safety Code, is  
22 amended to read as follows:

23 (a) This section does not apply to low-THC cannabis  
24 regulated under Chapter 487 or cannabis regulated under Chapter  
25 491.

26 SECTION 7. Section 481.062, Health and Safety Code, is  
27 amended to read as follows:

1           Sec. 481.062. EXEMPTIONS. (a) The following persons are  
2 not required to register and may possess a controlled substance  
3 under this chapter [~~without registering with the Federal Drug~~  
4 ~~Enforcement Administration~~]:

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

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

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

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

23           (5) if the substance is tetrahydrocannabinol or one of  
24 its derivatives:

25           (A) a Department of State Health Services  
26 official, a medical school researcher, or a research program  
27 participant possessing the substance as authorized under

1 Subchapter G; or

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

6 (6) a dispensing organization licensed under Chapter  
7 487 that possesses low-THC cannabis;

8 (7) a cannabis grower, cannabis establishment,  
9 cannabis secure transporter, or cannabis testing facility licensed  
10 under Chapter 491 that possesses cannabis or cannabis products; or

11 (8) a person who possesses cannabis or cannabis  
12 products in accordance with Chapter 491.

13 (b) In this section, "cannabis" and "cannabis product" have  
14 the meanings assigned to those terms by Section 491.0001.

15 SECTION 8. Section 481.111, Health and Safety Code, is  
16 amended by adding Subsections (g) and (h) to read as follows:

17 (g) Sections 481.113, 481.116, 481.120, 481.121, and  
18 481.125 do not apply to a person who engages in the acquisition,  
19 possession, production, processing, cultivation, delivery,  
20 transportation, disposal, transfer, or use of a raw material used  
21 in or by-product created by the production or cultivation of  
22 cannabis or cannabis products if the conduct is expressly  
23 authorized by Subchapter B, Chapter 491.

24 (h) For purposes of Subsection (g), "cannabis" and  
25 "cannabis product" have the meanings assigned to those terms by  
26 Section 491.0001.

27 SECTION 9. Section 551.004, Occupations Code, is amended by

1 amending Subsection (a) and adding Subsection (a-1) to read as  
2 follows:

3 (a) This subtitle does not apply to:

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

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

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

13 (4) a home and community support services agency that  
14 possesses a dangerous drug as authorized by Section 142.0061,  
15 142.0062, or 142.0063, Health and Safety Code; ~~or~~

16 (5) a dispensing organization~~[, as defined by Section~~  
17 ~~487.001, Health and Safety Code,]~~ that cultivates, processes, and  
18 dispenses low-THC cannabis, as authorized by Chapter 487, Health  
19 and Safety Code, to a patient listed in the compassionate-use  
20 registry established under that chapter;

21 (6) a cannabis grower, cannabis establishment,  
22 cannabis secure transporter, or cannabis testing facility licensed  
23 under Chapter 491, Health and Safety Code, that cultivates,  
24 manufactures, processes, distributes, delivers, sells, tests,  
25 transports, or dispenses cannabis or a cannabis product as  
26 authorized by that chapter; or

27 (7) a person who transfers cannabis without

1 remuneration as authorized by Section 491.0051, Health and Safety  
2 Code.

3 (a-1) For purposes of this section:

4 (1) "Cannabis," "cannabis establishment," "cannabis  
5 grower," "cannabis product," "cannabis secure transporter," and  
6 "cannabis testing facility" have the meanings assigned by Section  
7 491.0001, Health and Safety Code.

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

11 SECTION 10. (a) Not later than July 1, 2022, the Texas  
12 Commission of Licensing and Regulation shall adopt rules as  
13 required to implement, administer, and enforce Chapter 491, Health  
14 and Safety Code, as added by this Act.

15 (b) Not later than November 1, 2022, the Texas Department of  
16 Licensing and Regulation shall begin licensing cannabis growers,  
17 cannabis establishments, cannabis secure transporters, and  
18 cannabis testing facilities in accordance with Chapter 491, Health  
19 and Safety Code, as added by this Act, provided that the applicants  
20 for a license have met all requirements for approval under Chapter  
21 491, Health and Safety Code, as added by this Act.

22 SECTION 11. This Act takes effect September 1, 2021.