

By: Menéndez

S.B. No. 2040

A BILL TO BE ENTITLED

AN ACT

1
2 relating to authorizing the possession, use, cultivation,
3 distribution, delivery, sale, and research of medical cannabis for
4 medical use by patients with certain medical conditions and the
5 licensing of medical cannabis organizations; authorizing fees.

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

7 ARTICLE 1. FINDINGS AND PURPOSE

8 SECTION 1.01. LEGISLATIVE FINDINGS; PURPOSE. The
9 legislature finds that:

10 (1) scientific evidence suggests that medical
11 cannabis is one potential therapy that may mitigate suffering,
12 enhance quality of life, and offer potential treatment of certain
13 medical conditions;

14 (2) Texas patients should have reasonable statewide
15 access to medical cannabis subject to safeguards for public health
16 and safety;

17 (3) a seriously ill patient who engages in medical use
18 of cannabis on a treating practitioner's advice should not be
19 arrested, incarcerated, or otherwise punished for violation of drug
20 laws;

21 (4) where patients are suffering from certain medical
22 conditions, they and their physicians should have a right to try
23 medical cannabis as an alternative medicine through a safe and
24 regulated program; and

1 (5) Texas has a wealth of esteemed research
2 institutions from medical to agricultural that can greatly
3 contribute to the advancement of research on the safe cultivation,
4 manufacturing, and use of medical cannabis.

5 ARTICLE 2. MEDICAL CANNABIS RESEARCH PROGRAM

6 SECTION 2.01. Subtitle A, Title 6, Health and Safety Code,
7 is amended by adding Chapter 444 to read as follows:

8 CHAPTER 444. MEDICAL CANNABIS RESEARCH PROGRAM

9 SUBCHAPTER A. GENERAL PROVISIONS

10 Sec. 444.001. SHORT TITLE. This chapter may be cited as the
11 Medical Cannabis Research Act.

12 Sec. 444.002. DEFINITIONS. In this chapter:

13 (1) "Advisory board" means the medical cannabis
14 research advisory board established under this chapter.

15 (2) "License" means a medical cannabis research
16 license issued by the department under Subchapter C.

17 (3) "License holder" means a person who holds a
18 medical cannabis research license.

19 (4) "Medical cannabis" has the meaning assigned by
20 Section 169.001, Occupations Code.

21 SUBCHAPTER B. MEDICAL CANNABIS RESEARCH ADVISORY BOARD

22 Sec. 444.051. ESTABLISHMENT OF ADVISORY BOARD. (a) A
23 medical cannabis research advisory board is established to perform
24 functions and duties under this chapter.

25 (b) The executive commissioner shall assist the advisory
26 board as provided by this chapter.

27 Sec. 444.052. MEMBERSHIP. (a) The advisory board members

1 are appointed by the governor and serve staggered six-year terms,
2 with the terms of one-third of the members expiring on August 31 of
3 each odd-numbered year.

4 (b) The advisory board shall be composed of the following 12
5 members:

6 (1) a licensed physician certified by the American
7 Board of Internal Medicine and certified in the subspecialty of
8 medical oncology;

9 (2) a licensed physician certified by the American
10 Board of Psychiatry;

11 (3) a licensed physician certified by the American
12 Board of Surgery;

13 (4) a licensed physician certified by the American
14 Board of Psychiatry and Neurology;

15 (5) a licensed physician certified by the American
16 Board of Family Medicine;

17 (6) a licensed physician certified in neurology with a
18 special qualification in child neurology;

19 (7) a licensed physician specializing in pain
20 management certified by the American Board of Anesthesiology, the
21 American Board of Neurology, or the American Board of Physical
22 Medicine and Rehabilitation;

23 (8) a licensed pharmacist;

24 (9) a licensed advanced practice registered nurse
25 specializing in palliative care certified by the Hospice and
26 Palliative Credentialing Center or a licensed physician
27 specializing in palliative care certified by a member board of the

1 American Board of Medical Specialties, the American Osteopathic
2 Association, or the Hospice Medical Director Certification Board;

3 (10) a representative from a Texas medical specialty
4 organization;

5 (11) a licensed attorney with experience in law
6 pertaining to the practice of medicine and cannabis regulation; and

7 (12) a person who represents medical cannabis patient
8 interests.

9 (c) At least two members of the advisory board must be
10 affiliated with an institution of higher education or private or
11 independent institution of higher education involved in relevant
12 research, such as a medical unit, general academic teaching
13 institution, or other agency of higher education, as defined by
14 Section 61.003, Education Code.

15 (d) The governor shall select a presiding officer from the
16 membership of the advisory board.

17 (e) The advisory board shall meet at least quarterly at the
18 call of the presiding officer.

19 (f) The advisory board may create and appoint one or more
20 advisory committees composed of patients, law enforcement
21 officers, researchers, other medical professionals, and other
22 persons who are knowledgeable about the medical use of cannabis.

23 (g) Members serve without compensation but are entitled to
24 reimbursement for actual and necessary expenses incurred in
25 performing official duties.

26 Sec. 444.053. DUTIES OF ADVISORY BOARD; REPORT. (a) The
27 advisory board shall assist the department in evaluating proposals

1 submitted as part of a license application under Section 444.104.

2 (b) The advisory board shall conduct a continuing study of
3 the laws relating to medical cannabis to facilitate statewide
4 access to safe and effective medical cannabis.

5 (c) The advisory board shall prepare a report of the board's
6 findings and recommendations under Subsection (b) and submit the
7 report to the legislature not later than September 1 of each
8 even-numbered year.

9 (d) The advisory board shall consult with the Department of
10 Public Safety under Section 487.0521(b) on rules monitoring the
11 safety and efficacy of medical cannabis or medical cannabis
12 products.

13 SUBCHAPTER C. MEDICAL CANNABIS RESEARCH LICENSE

14 Sec. 444.101. ISSUANCE OF LICENSE. The department shall
15 issue a medical cannabis research license to a person that
16 authorizes the person to possess, manufacture, cultivate, or
17 dispense medical cannabis for the limited research purposes
18 described by Section 444.102.

19 Sec. 444.102. PURPOSE OF LICENSE. A medical cannabis
20 research license may be issued for the following limited research
21 purposes:

22 (1) conducting objective scientific research into the
23 safety and efficacy of medical cannabis or other public health
24 outcomes related to medical cannabis;

25 (2) developing medical guidelines for the appropriate
26 administration of medical cannabis to assist physicians and
27 patients in evaluating the risks and benefits of medical cannabis

1 and to provide a scientific basis for future policies;

2 (3) developing quality control, purity, and labeling
3 standards for medical cannabis;

4 (4) developing best practices for the safe and
5 efficient cultivation of medical cannabis;

6 (5) analyzing genetic and healing properties of
7 different varieties of cannabis;

8 (6) conducting genomic, horticultural, or
9 agricultural research; and

10 (7) conducting research on cannabis-affiliated
11 products or systems.

12 Sec. 444.103. APPLICATION FOR LICENSE. (a) As part of the
13 application process for a license, an applicant shall submit to the
14 department and the advisory board a description of the research
15 that the applicant intends to conduct. The department shall grant
16 the license if:

17 (1) the department determines that the application
18 meets the criteria described by Sections 444.102 and 487.102; and

19 (2) the advisory board recommends the application for
20 approval under Section 444.104(b).

21 (b) The department may not grant a license if the advisory
22 board does not recommend the application for approval.

23 Sec. 444.104. REVIEW BY ADVISORY BOARD. (a) The advisory
24 board shall review each applicant's research project to assess the
25 following:

26 (1) the quality, study design, value, or impact of the
27 project;

1 (2) whether the research supports the purposes in
2 Section 444.102;

3 (3) whether the applicant has the appropriate
4 personnel, expertise, facilities, infrastructure, funding, and
5 approvals in place to successfully conduct the project; and

6 (4) whether the amount of cannabis to be grown by the
7 applicant is consistent with the scope and goals of the project.

8 (b) If the advisory board determines that the research
9 project does meet the requirements of this subchapter and assesses
10 the criteria to be adequate, the advisory board may recommend that a
11 license be granted to the applicant for the project.

12 Sec. 444.105. CONTRACTS. A license holder may contract to
13 perform research in conjunction with another license holder, a
14 medical school, as defined by Section 61.501, Education Code, a
15 hospital licensed under Chapter 241, or an institution of higher
16 education or private or independent institution of higher education
17 involved in relevant research, such as a general academic teaching
18 institution, medical unit, or other agency of higher education, as
19 defined by Section 61.003, Education Code.

20 Sec. 444.106. TRANSFER OF CANNABIS TO OTHER LICENSE
21 HOLDERS. Unless otherwise authorized by the department, a license
22 holder may only transfer, by sale or donation, cannabis grown or
23 processed within the license holder's operation to other license
24 holders or program participants as authorized by department rule.

25 Sec. 444.107. LIMITATION OF LIABILITY. The growing,
26 cultivating, possessing, or transferring, by sale or donation, of
27 cannabis in accordance with this subchapter and the rules adopted

1 under this subchapter, by a license holder may not be the basis of
2 criminal or civil liability.

3 Sec. 444.108. FEES. The executive commissioner shall set
4 license and renewal fees in an amount sufficient to administer this
5 chapter.

6 Sec. 444.109. RULES. The executive commissioner shall, in
7 consultation with the advisory board and the Public Safety
8 Commission, adopt rules to implement this chapter, including:

9 (1) license application requirements;

10 (2) license renewal requirements, including the
11 consideration or addition of additional projects by a license
12 holder;

13 (3) conditions for license revocation;

14 (4) security measures to ensure cannabis is not
15 diverted to purposes other than research;

16 (5) license holder reporting requirements;

17 (6) conditions under which cannabis grown by licensed
18 cannabis cultivators and other product types from licensed cannabis
19 processors may be donated to license holders; and

20 (7) additional rules considered necessary by the
21 executive commissioner.

22 ARTICLE 3. CHANGES TO TEXAS COMPASSIONATE USE PROGRAM

23 SECTION 3.01. Section 487.001, Health and Safety Code, is
24 amended to read as follows:

25 Sec. 487.001. DEFINITIONS. In this chapter:

26 (1) "Caregiver" means a person who has a significant
27 responsibility for managing the well-being of a registered patient

1 whether a private party or employee of a long-term care facility,
2 other health care organization, or public institution.

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

5 (3) [~~(2)~~] "Director" means the public safety director
6 of the department.

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

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

13 (5) "Medical cannabis organization" means any
14 organization that cultivates, processes, manufactures,
15 distributes, researches, tests, dispenses, or conducts other
16 business regarding medical cannabis as authorized by a license
17 issued by the department under this chapter to provide medical
18 cannabis to patients for whom medical cannabis is recommended under
19 Chapter 169, Occupations Code.

20 (6) "Medical cannabis product" means a product, other
21 than cannabis itself, which contains or is derived from cannabis.
22 The term does not include products derived from hemp as defined by
23 Section 121.001, Agriculture Code.

24 (7) "Medical use" has the meaning assigned by Section
25 169.001, Occupations Code.

26 SECTION 3.02. Subchapter A, Chapter 487, Health and Safety
27 Code, is amended by adding Section 487.002 to read as follows:

Sec. 487.002. ALLOWABLE AMOUNT OF MEDICAL CANNABIS. (a)

The allowable amount of medical cannabis for a person for whom medical use is recommended under Chapter 169, Occupations Code, is an amount of cannabis in any form approved by the physician possessed by a qualified patient or collectively possessed by a qualified patient and the qualified patient's caregiver that is no more than reasonably necessary to ensure the uninterrupted availability of cannabis for a period of three months based on the individual patient's recommended amount of medical cannabis and that is obtained solely from a medical cannabis organization.

(b) Medical cannabis and medical cannabis products must be packaged and labeled in accordance with department rules before sale to a medical cannabis dispensary to indicate the quantity of each cannabinoid and terpene contained in the product for purposes of determining compliance with this section and protecting patient health and safety.

SECTION 3.03. Chapter 487, Health and Safety Code, is amended by adding Subchapter A-1 to read as follows:

SUBCHAPTER A-1. PROTECTIONS RELATED TO MEDICAL USE OF CANNABIS

Sec. 487.021. PROTECTION FROM LEGAL ACTION. (a) This section applies to a person who is:

(1) a patient for whom medical use is recommended under Chapter 169, Occupations Code, or the parent or caregiver of a patient;

(2) a medical cannabis organization;

(3) a director, manager, or employee of a medical cannabis organization who is registered with the department under

1 Section 487.053;

2 (4) a medical cannabis research license holder under
3 Chapter 444; or

4 (5) a person participating as a researcher or patient
5 in an approved research program under Subchapter G, Chapter 481.

6 (b) Notwithstanding any other law, a person described by
7 Subsection (a) is not subject to arrest, prosecution, or penalty in
8 any manner, or denial of any right or privilege, including any civil
9 penalty or disciplinary action by a court or occupational or
10 professional licensing board or bureau, for conduct involving
11 medical use that is authorized under this chapter, Chapter 444,
12 Subchapter G, Chapter 481, Chapter 169, Occupations Code, or
13 department rule.

14 Sec. 487.022. NO PRESUMPTION OF CHILD ABUSE, NEGLECT, OR
15 ENDANGERMENT. A person described by Section 487.021(a) may not be
16 presumed to have engaged in conduct constituting child abuse,
17 neglect, or endangerment solely because the person engaged in
18 conduct involving medical use that is authorized under this
19 chapter, Chapter 444, Subchapter G, Chapter 481, Chapter 169,
20 Occupations Code, or department rule.

21 Sec. 487.023. NO DENIAL OF PARENTAL RIGHTS. The fact that a
22 person described by Section 487.021(a) engages in conduct
23 authorized under this chapter, Chapter 444, Subchapter G, Chapter
24 481, Chapter 169, Occupations Code, or department rule, does not in
25 itself constitute grounds for denying, limiting, or restricting
26 conservatorship or possession of or access to a child under Title 5,
27 Family Code.

1 Sec. 487.024. NO SEIZURE OR FORFEITURE. Property used in
2 the cultivation, research, testing, processing, distribution,
3 transportation, and delivery of medical cannabis for medical use
4 that is authorized under this chapter, Chapter 444, Subchapter G,
5 Chapter 481, Chapter 169, Occupations Code, or department rule, is
6 not contraband for purposes of Chapter 59, Code of Criminal
7 Procedure, and is not subject to seizure or forfeiture under that
8 chapter or other law solely for the use of the property in those
9 authorized activities.

10 Sec. 487.025. NO PROSECUTION FOR PROVISION OF
11 PARAPHERNALIA. A person is not subject to arrest, prosecution, or
12 the imposition of any sentence or penalty for the delivery,
13 possession with intent to deliver, or manufacture of any item that
14 meets the definition of drug paraphernalia, as defined by Section
15 481.002, if that item is delivered, possessed with intent to
16 deliver, or manufactured for the sole purpose of providing that
17 item to:

18 (1) a patient for whom medical use is recommended
19 under Chapter 169, Occupations Code, or the parent or caregiver of a
20 patient;

21 (2) a medical cannabis organization;

22 (3) a director, manager, or employee of a medical
23 cannabis organization who is registered with the department under
24 Section 487.053;

25 (4) a medical cannabis research license holder under
26 Chapter 444; or

27 (5) a person participating as a researcher or patient

1 in an approved research program under Subchapter G, Chapter 481.

2 Sec. 487.026. NO PUNISHMENT FOR STUDENT PATIENTS AND THEIR
3 CAREGIVERS. Notwithstanding any other law, a school or university
4 student for whom medical cannabis was recommended under Chapter
5 169, Occupations Code, may not be subject to suspension, expulsion,
6 placement in a disciplinary alternative education program, or any
7 other form of discipline solely because the student possessed,
8 used, or received a valid recommendation for medical cannabis, nor
9 may a school health care professional be subject to any discipline
10 solely for assisting a student in the administration of medical
11 cannabis.

12 SECTION 3.04. Section 487.052, Health and Safety Code, is
13 amended to read as follows:

14 Sec. 487.052. RULES; FEES. (a) The director shall adopt
15 any rules necessary for the administration and enforcement of this
16 chapter.

17 (b) The director shall adopt [~~including~~] rules imposing
18 reasonable fees under this chapter in amounts sufficient to cover
19 the cost of administering this chapter. The department shall also
20 use revenue from fees to establish a cannabis testing and quality
21 control fund for the purpose of assisting law enforcement,
22 including accredited crime laboratories, to purchase instruments,
23 establish methods, and obtain resources needed to conduct forensic
24 analysis necessary to enforce this subtitle and to protect the
25 health and safety of medical cannabis patients and the public.

26 (c) The fees adopted under Subsection (b) may not exceed:

27 (1) \$5,000 for application fees;

1 (2) \$100 for registration fees under Subchapter D; and
2 (3) reasonable amounts for the issuance or renewal of
3 each class of license.

4 (d) The director may not adopt rules establishing a total
5 limit on the number of medical cannabis organization licenses by
6 class that may be granted nor set the price of or production
7 quantity of medical cannabis.

8 SECTION 3.05. Subchapter B, Chapter 487, Health and Safety
9 Code, is amended by adding Sections 487.0521 and 487.0522 to read as
10 follows:

11 Sec. 487.0521. SAFETY. (a) The director by rule shall
12 adopt packaging and labeling requirements for medical cannabis to
13 ensure patients are informed and protected. In adopting packaging
14 and labeling requirements, the director shall ensure that:

15 (1) each medical cannabis package is labeled with the
16 cannabinoid potency and terpenoid profile of medical cannabis or
17 medical cannabis product as determined by an independent testing
18 laboratory;

19 (2) each medical cannabis product and medical cannabis
20 package is labeled with the required warnings as determined by the
21 department; and

22 (3) the packaging and label of medical cannabis or a
23 medical cannabis product do not contain any false or misleading
24 statements and are not designed to appeal to children.

25 (b) In consultation with the medical cannabis research
26 advisory board under Chapter 444, the director shall adopt
27 necessary rules to allow the department to monitor the safety and

1 efficacy of medical cannabis or medical cannabis products,
2 including rules:

3 (1) requiring accurate reporting to consumers
4 regarding the content of medical cannabis or medical cannabis
5 products;

6 (2) providing for random testing by the department or
7 the department's designee to ensure compliance with labeling and
8 reporting requirements; and

9 (3) providing for health and safety regulations and
10 standards for the manufacture and cultivation of medical cannabis
11 and medical cannabis products.

12 (c) The director may collect data from medical cannabis
13 organizations and health care providers as necessary to enable the
14 department to monitor the safety and efficacy of medical cannabis.
15 The director may adopt rules for the data collection under this
16 subsection.

17 Sec. 487.0522. INVENTORY TRACKING REQUIREMENTS. (a) The
18 department shall establish and maintain a medical cannabis
19 inventory system that oversees the tracking, tracing, testing, and
20 quality control and quality assurance certification of medical
21 cannabis and medical cannabis products.

22 (b) The department may contract with other entities to
23 establish and maintain all or part of the medical cannabis
24 inventory system on behalf of the department.

25 (c) A medical cannabis organization shall use the medical
26 cannabis inventory system approved by the department to keep
27 records throughout the cannabis supply chain, including for every

1 transaction between license holders and between license holders and
2 patients. A medical cannabis organization may use its own
3 recordkeeping system provided the medical cannabis organization's
4 system can integrate with the department's system as required under
5 this chapter and rules. The records shall include, at a minimum:

6 (1) the name, license number, and assigned
7 identification number of the licensee that cultivated,
8 manufactured, tested, or sold the product;

9 (2) the address and phone number of the licensee that
10 cultivated, manufactured, tested, or sold the product;

11 (3) the type and weight of medical cannabis or medical
12 cannabis product transferred or received during the transaction;

13 (4) the batch number of the medical cannabis or
14 medical cannabis product used;

15 (5) the date of the transaction;

16 (6) the total spent in dollars;

17 (7) all point-of-sale records;

18 (8) the amount of any medical cannabis waste, in
19 pounds; and

20 (9) any additional information as may be reasonably
21 required by the department.

22 (d) Until the department establishes the medical cannabis
23 inventory program, each licensee shall use its own inventory
24 program that meets the requirements of this section.

25 (e) Each medical cannabis organization has a continuing
26 responsibility to maintain records on site that are readily
27 available to the department regardless of the functionality of the

1 statewide inventory program including, at a minimum, the criteria
2 established by this section and any requirements established by
3 rule.

4 (f) The department shall adopt rules necessary for the
5 implementation and enforcement of this section, including rules
6 ensuring:

7 (1) the department has 24-hour access to the inventory
8 program; and

9 (2) all inventory tracking records containing patient
10 information comply with Chapter 181 and the Health Insurance
11 Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d
12 et seq.).

13 SECTION 3.06. The heading to Section 487.053, Health and
14 Safety Code, is amended to read as follows:

15 Sec. 487.053. LICENSING OF CANNABIS [~~DISPENSING~~]
16 ORGANIZATIONS AND REGISTRATION OF CERTAIN ASSOCIATED INDIVIDUALS.

17 SECTION 3.07. 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 a medical cannabis [~~dispensing~~] organization to each
22 applicant who satisfies the requirements established under this
23 chapter for licensure under that class of medical cannabis
24 organization; [and]

25 (2) register directors, managers, and employees under
26 Subchapter D of each medical cannabis [~~dispensing~~] organization;

27 (3) issue a permit for additional locations to a

1 dispensing cannabis licensee on application if the licensee is in
2 compliance with all eligibility requirements and the proposed
3 location complies with any local zoning requirements and will
4 assist with ensuring reasonable statewide access;

5 (4) to ensure reasonable statewide access, issue no
6 less than the following number of licenses or permits for each type
7 of medical cannabis organization provided the department receives
8 an adequate number of qualified applications:

9 (A) dispensing cannabis organization licenses
10 and permits, based on population within each of the 11 public health
11 regions established by the Health and Human Services Commission, as
12 follows:

- 13 (i) 9 in public health region 1;
- 14 (ii) 6 in public health region 2;
- 15 (iii) 82 in public health region 3;
- 16 (iv) 12 in public health region 4;
- 17 (v) 8 in public health region 5;
- 18 (vi) 75 in public health region 6;
- 19 (vii) 37 in public health region 7;
- 20 (viii) 31 in public health region 8;
- 21 (ix) 7 in public health region 9;
- 22 (x) 9 in public health region 10; and
- 23 (xi) 24 in public health region 11;

24 (B) one cultivation cannabis organization
25 license for every four dispensing cannabis organization licenses;

26 (C) one processing cannabis organization license
27 for every three dispensing cannabis organization licenses; and

1 (D) the number of testing cannabis organization
2 licenses necessary to meet demand;

3 (5) once the number of registered medical cannabis
4 patients reaches 100,000, issue no less than 24 additional
5 dispensing cannabis organization licenses and permits and other
6 medical cannabis organization license types under Subdivision (4);
7 and

8 (6) for each additional 100,000 patients, issue no
9 less than 24 additional dispensing cannabis organization licenses
10 and permits and other medical cannabis organization license types
11 under Subdivision (4).

12 SECTION 3.08. Section [487.054](#), Health and Safety Code, is
13 amended to read as follows:

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

17 (1) the name of each physician who registers as a
18 physician recommending medical cannabis and for each patient for
19 whom the physician has registered:

20 (A) [~~the prescriber for a patient under Section~~
21 [169.004](#), ~~Occupations Code,~~ the patient's name, and any caregivers'
22 names, if applicable;

23 (B) the patient's [~~and~~] date of birth;

24 (C) the nature of the patient's eligible medical
25 condition;

26 (D) [~~of the patient,~~] the dosage recommended;

27 (E) [~~prescribed,~~] the means of administration

1 ordered; ~~[7]~~ and

2 (F) the total amount of medical ~~[low-THC]~~
3 cannabis required to fill the patient's recommendation
4 ~~[prescription]~~; and

5 (2) a record of each amount of medical ~~[low-THC]~~
6 cannabis dispensed by a medical cannabis ~~[dispensing]~~ organization
7 to a patient under a recommendation ~~[prescription]~~.

8 (b) The department shall ensure the registry:

9 (1) is designed to prevent more than one qualified
10 physician from registering as the recommending physician
11 ~~[prescriber]~~ for a single patient;

12 (2) is accessible to law enforcement agencies and
13 medical cannabis ~~[dispensing]~~ organizations licensed to dispense
14 medical cannabis for the purpose of verifying whether a patient is
15 one for whom medical ~~[low-THC]~~ cannabis is recommended ~~[prescribed]~~
16 and whether the patient's recommendations ~~[prescriptions]~~ have
17 been filled; ~~and~~

18 (3) allows a physician ~~[qualified to prescribe low-THC~~
19 ~~cannabis under Section 169.002, Occupations Code,~~ to input safety
20 and efficacy data derived from the treatment of patients for whom
21 medical ~~[low-THC]~~ cannabis is recommended ~~[prescribed]~~ under
22 Chapter 169, Occupations Code, including any severe adverse effects
23 due to the medical use of medical cannabis; and

24 (4) ensures that all application records and
25 information are sealed to protect the privacy of patients.

26 (c) The handling of any records maintained in the registry
27 must comply with all relevant state and federal privacy laws,

1 including, but not limited to, Chapter 181.

2 SECTION 3.09. Subchapter B, Chapter 487, Health and Safety
3 Code, is amended by adding Section 487.055 to read as follows:

4 Sec. 487.055. DESIGNATION OF CAREGIVERS. (a) The
5 department shall develop a form for a patient listed in the registry
6 to designate caregivers whether an individual, health care
7 facility, or public institution. Caregivers may possess medical
8 cannabis and medical cannabis products up to the sum of the
9 possession limits for the patient or patients under the caregiver's
10 care.

11 (b) The form must require the patient to provide the full
12 name, home address, and date of birth of the patient's caregiver or,
13 in the case of an organization, the organization's name and
14 address.

15 (c) The director shall adopt rules necessary to implement
16 this section, including rules to provide identification cards for
17 registered caregivers.

18 SECTION 3.10. The heading to Subchapter C, Chapter 487,
19 Health and Safety Code, is amended to read as follows:

20 SUBCHAPTER C. LICENSE TO OPERATE AS MEDICAL CANNABIS [~~DISPENSING~~]
21 ORGANIZATION

22 SECTION 3.11. Section 487.101, Health and Safety Code, is
23 amended to read as follows:

24 Sec. 487.101. LICENSE REQUIRED. (a) A license issued by
25 the department under this chapter is required to operate a medical
26 cannabis [~~dispensing~~] organization.

27 (b) The director by rule shall adopt application and

1 licensing requirements and privileges of each medical cannabis
2 organization license type.

3 (c) Medical cannabis organization license types shall
4 include the following:

5 (1) cultivating cannabis organization that cultivates
6 medical cannabis for sale and distribution to other medical
7 cannabis organizations and may process and package cannabis for
8 individual sale so long as the cannabis is not subjected to any
9 chemical alteration;

10 (2) processing cannabis organization that extracts
11 medical cannabis and manufactures, prepares, and packages medical
12 cannabis products for sale and distribution to other medical
13 cannabis organizations;

14 (3) dispensing cannabis organization that sells
15 medical cannabis and medical cannabis products to patients;

16 (4) independent testing cannabis organizations that
17 test medical cannabis and medical cannabis products for potency,
18 safety, and efficacy; and

19 (5) any other class of medical cannabis organization
20 that the department finds warranted to safely and securely ensure
21 reasonable statewide access of medical cannabis for medical use.

22 SECTION 3.12. Section 487.102, Health and Safety Code, is
23 amended to read as follows:

24 Sec. 487.102. ELIGIBILITY FOR LICENSE. An applicant for a
25 license to operate as a medical cannabis [~~dispensing~~] organization
26 is eligible for the license if:

27 (1) as determined by the department, the applicant

1 possesses:

2 (A) the technical and technological ability
3 appropriate for that class of license [~~to cultivate and produce~~
4 ~~low-THC cannabis~~];

5 (B) the ability to secure:

6 (i) the resources and personnel necessary
7 to operate as a medical cannabis [~~dispensing~~] organization; and

8 (ii) for distribution or
9 dispensing premises reasonably located to allow patients listed on
10 the compassionate-use registry access to the organization through
11 existing infrastructure;

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

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

19 (E) any specific qualifications for licensure
20 for each class of license the department promulgates by rule under
21 this chapter that are demonstrably related to the operations
22 authorized and duties imposed under that class of license to safely
23 and securely provide medical cannabis for medical use to patients;

24 (2) each director, manager, or employee of the
25 applicant is registered under Subchapter D; [~~and~~]

26 (3) the applicant satisfies any additional criteria
27 determined by the director to be necessary to safely implement this

1 chapter; and

2 (4) each director, manager, employee, and any other
3 relevant individual, as determined by department rule, passes a
4 criminal history background check the department approves as
5 reliable and expedient to ensure applicants comply with eligibility
6 requirements established by the department by rule.

7 SECTION 3.13. Subchapter C, Chapter 487, Health and Safety
8 Code, is amended by adding Section 487.1021 to read as follows:

9 Sec. 487.1021. ELIGIBILITY FOR LICENSE TO OPERATE AS AN
10 INDEPENDENT CANNABIS TESTING ORGANIZATION. In addition to the
11 criteria described by Section 487.102, an applicant for a license
12 to operate as an independent cannabis testing organization is
13 eligible for the license if:

14 (1) the applicant submits proof of accreditation by an
15 independent accreditation body in accordance with the
16 International Organization for Standardization ISO/IEC 17025 or a
17 comparable or successor standard;

18 (2) the applicant submits proof that it does not share
19 ownership interest or joint management with any medical cannabis
20 organization whose product the applicant may test except for less
21 than 10 percent ownership in publicly traded companies; and

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

25 SECTION 3.14. Section 487.103(a), Health and Safety Code,
26 is amended to read as follows:

27 (a) A person may apply for an initial or renewal license to

1 operate as a medical cannabis [~~dispensing~~] organization by
2 submitting a form prescribed by the department along with the
3 application fee in an amount set by the director for that class of
4 license.

5 SECTION 3.15. Section 487.104(a), Health and Safety Code,
6 is amended to read as follows:

7 (a) The department shall issue or renew a license to operate
8 as a medical cannabis [~~dispensing~~] organization [~~only~~] if:

9 (1) the department determines the applicant meets the
10 eligibility requirements described by Section 487.102 or 487.1021,
11 as applicable; and

12 (2) issuance or renewal of the license would assist
13 [~~is necessary to ensure~~] reasonable statewide access to, and the
14 availability of, medical [~~low-THC~~] cannabis for patients
15 registered in the compassionate-use registry and for whom medical
16 [~~low-THC~~] cannabis is recommended [~~prescribed~~] under Chapter 169,
17 Occupations Code.

18 SECTION 3.16. Sections 487.105(a) and (b), Health and
19 Safety Code, are amended to read as follows:

20 (a) An applicant for the issuance or renewal of a license
21 under this subchapter [~~to operate as a dispensing organization~~]
22 shall provide the department with the applicant's name and the name
23 of each of the applicant's directors, managers, and employees.

24 (b) Before a medical cannabis [~~dispensing~~] organization
25 licensee hires a manager or employee for the organization, the
26 licensee must provide the department with the name of the
27 prospective manager or employee. The licensee may not transfer the

1 license to another person before that prospective applicant and the
2 applicant's directors, managers, and employees pass a criminal
3 history background check and any other requirements established by
4 the department by rule, and are registered as required by
5 Subchapter D.

6 SECTION 3.17. Section 487.106, Health and Safety Code, is
7 amended to read as follows:

8 Sec. 487.106. DUTY TO MAINTAIN ELIGIBILITY. (a) Each
9 license holder under this subchapter [~~A dispensing organization~~]
10 must maintain compliance at all times with the eligibility
11 requirements described by Section 487.102 or 487.1021, as
12 applicable.

13 (b) On request of the department, a license holder must
14 provide to the department a reasonably sized sample suitable for
15 testing of medical cannabis.

16 SECTION 3.18. Section 487.107, Health and Safety Code, is
17 amended to read as follows:

18 Sec. 487.107. DUTIES RELATING TO DISPENSING
19 [~~PRESCRIPTION~~]. (a) Before dispensing medical [~~low-THC~~] cannabis
20 to a person for whom the medical [~~low-THC~~] cannabis is recommended
21 [~~prescribed~~] under Chapter 169, Occupations Code, the medical
22 cannabis [~~dispensing~~] organization must verify that the
23 recommendation [~~prescription~~] presented:

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

26 (2) matches the entry in the compassionate-use
27 registry with respect to the total amount of medical [~~low-THC~~]

1 cannabis required to fill the recommendation [~~prescription~~]; and

2 (3) has not previously been filled by a medical
3 cannabis [~~dispensing~~] organization as indicated by an entry in the
4 compassionate-use registry.

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

11 SECTION 3.19. Sections 487.108(a), (b), and (c), Health and
12 Safety Code, are amended to read as follows:

13 (a) The department may at any time suspend or revoke a
14 license issued under this subchapter [~~chapter~~] if the department
15 determines that the license holder [~~licensee~~] has not maintained
16 the eligibility requirements described by Section 487.102 or
17 487.1021, as applicable, or has failed to comply with a duty imposed
18 under this chapter.

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

24 (c) After suspending or revoking a license issued under this
25 subchapter [~~chapter~~], the director may seize or place under seal
26 all medical [~~low-THC~~] cannabis and drug paraphernalia owned or
27 possessed by the license holder [~~dispensing organization~~]. If the

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

8 SECTION 3.20. Section 487.151(a), Health and Safety Code,
9 is amended to read as follows:

10 (a) An individual who is a director, manager, or employee of
11 a license holder under Subchapter C [~~dispensing organization~~] must
12 apply for and obtain a registration under this section.

13 SECTION 3.21. Section 487.201, Health and Safety Code, is
14 amended to read as follows:

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

22 ARTICLE 4. PHYSICIAN RECOMMENDATIONS OF MEDICAL CANNABIS

23 SECTION 4.01. The heading to Chapter 169, Occupations Code,
24 is amended to read as follows:

25 CHAPTER 169. AUTHORITY TO RECOMMEND [~~PRESCRIBE~~] MEDICAL [~~LOW-THC~~]
26 CANNABIS TO CERTAIN PATIENTS FOR COMPASSIONATE USE

27 SECTION 4.02. Section 169.001, Occupations Code, is amended

1 to read as follows:

2 Sec. 169.001. DEFINITIONS. In this chapter:

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

5 ~~[(1-a) "Incurable neurodegenerative disease" means a
6 disease designated as an incurable neurodegenerative disease by
7 rule of the executive commissioner of the Health and Human Services
8 Commission, adopted in consultation with the National Institutes of
9 Health.]~~

10 (2) ~~[(3)]~~ "Medical [Low-THC] cannabis" means the
11 plant Cannabis sativa L., and any part of that plant or any
12 compound, manufacture, salt, derivative, mixture, preparation,
13 resin, or oil of that plant. The term does not include hemp as
14 defined by Section 121.001, Agriculture Code ~~[that contains not
15 more than 0.5 percent by weight of tetrahydrocannabinols].~~

16 (3) ~~[(4)]~~ "Medical use" means the administration of
17 medical cannabis to a registered patient for treatment of an
18 eligible medical condition or symptoms as recommended by a
19 physician ~~[ingestion by a means of administration other than by
20 smoking of a prescribed amount of low-THC cannabis by a person for
21 whom low-THC cannabis is prescribed]~~ under this chapter.

22 (4) "Serious adverse event" means an adverse event
23 that:

24 (A) results in death;

25 (B) results in an illness requiring
26 hospitalization;

27 (C) is considered life-threatening; or

1 (D) results in a persistent or significant
2 disability, incapacity, or medically important condition.

3 [~~(5) "Smoking" means burning or igniting a substance~~
4 ~~and inhaling the smoke.~~

5 [~~(6) "Terminal cancer" means cancer that meets the~~
6 ~~criteria for a terminal illness, as defined by Section [1003.051](#),~~
7 ~~Health and Safety Code.]~~

8 SECTION 4.03. Chapter [169](#), Occupations Code, is amended by
9 adding Section 169.0012 to read as follows:

10 Sec. 169.0012. BONA FIDE PHYSICIAN-PATIENT RELATIONSHIP.
11 For purposes of this chapter, a bona fide physician-patient
12 relationship exists when there is a treatment or counseling
13 relationship between a physician and patient in which all of the
14 following are present:

15 (1) the physician has reviewed the patient's relevant
16 medical records and completed a full assessment of the patient's
17 medical history and current medical condition, including a relevant
18 medical evaluation of the patient;

19 (2) the physician has created and continues to
20 maintain records of the patient's condition in accordance with
21 medically accepted standards;

22 (3) the physician has a reasonable expectation that
23 the physician will provide follow-up care to the patient to monitor
24 the efficacy of the use of medical cannabis as a treatment of the
25 patient's medical condition; and

26 (4) if the patient has given permission, the physician
27 has notified the patient's primary care physician of the patient's

1 medical condition and certification for the medical use of medical
2 cannabis to treat that condition.

3 SECTION 4.04. Section 169.002, Occupations Code, is amended
4 to read as follows:

5 Sec. 169.002. PHYSICIAN QUALIFIED TO RECOMMEND MEDICAL
6 [~~PRESCRIBE LOW-THC~~] CANNABIS [~~TO PATIENTS WITH CERTAIN MEDICAL~~
7 ~~CONDITIONS~~]. (a) Only a physician qualified with respect to a
8 patient's particular medical condition [~~as provided by this~~
9 ~~section~~] may recommend medical [~~prescribe low-THC~~] cannabis in
10 accordance with this chapter to treat the applicable medical
11 condition.

12 (b) A physician is qualified to recommend medical
13 [~~prescribe low-THC~~] cannabis with respect to a patient's particular
14 medical condition if the physician:

- 15 (1) is licensed under this subtitle;
- 16 (2) has a bona fide physician-patient relationship
17 with the patient [~~is board certified in a medical specialty~~
18 ~~relevant to the treatment of the patient's particular medical~~
19 ~~condition by a specialty board approved by the American Board of~~
20 ~~Medical Specialties or the Bureau of Osteopathic Specialists~~]; and
- 21 (3) dedicates a significant portion of clinical
22 practice to the evaluation and treatment of the patient's
23 particular medical condition.

24 SECTION 4.05. Section 169.003, Occupations Code, is amended
25 to read as follows:

26 Sec. 169.003. RECOMMENDATION [~~PRESCRIPTION~~] OF MEDICAL
27 [~~LOW-THC~~] CANNABIS. A physician described by Section 169.002 may

1 recommend medical [~~prescribe low-THC~~] cannabis to a patient if:

2 (1) the patient is a permanent resident of the state;

3 (2) the physician complies with the registration
4 requirements of Section 169.004; and

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

6 (A) there is a bona fide physician-patient
7 relationship;

8 (B) the patient has a diagnosis or symptoms such
9 that, in the physician's professional judgment and review of past
10 treatments, the patient is likely to receive therapeutic or
11 palliative benefit from medical cannabis [~~is diagnosed with:~~

12 [~~(i) epilepsy,~~

13 [~~(ii) a seizure disorder,~~

14 [~~(iii) multiple sclerosis,~~

15 [~~(iv) spasticity,~~

16 [~~(v) amyotrophic lateral sclerosis,~~

17 [~~(vi) autism,~~

18 [~~(vii) terminal cancer, or~~

19 [~~(viii) an incurable neurodegenerative~~
20 ~~disease]; and~~

21 (C) [~~(B)~~] the physician determines the risk of
22 the medical use of medical [~~low-THC~~] cannabis by the patient is
23 reasonable in light of the potential benefit for the patient.

24 SECTION 4.06. The heading to Section 169.004, Occupations
25 Code, is amended to read as follows:

26 Sec. 169.004. MEDICAL [~~LOW-THC~~] CANNABIS RECOMMENDATION
27 [~~PRESCRIBER~~] REGISTRATION.

1 SECTION 4.07. Section 169.004(a), Occupations Code, is
2 amended to read as follows:

3 (a) Before a physician [~~qualified to prescribe low-THC~~
4 ~~cannabis under Section 169.002~~] may recommend [~~prescribe~~] or renew
5 a recommendation [~~prescription~~] for medical [~~low-THC~~] cannabis for
6 a patient under this chapter, the physician must register [~~as the~~
7 ~~prescriber for that patient~~] in the compassionate-use registry
8 maintained by the department under Section 487.054, Health and
9 Safety Code. The physician's registration must indicate:

- 10 (1) the physician's name; and
11 (2) for each patient:
12 (A) the patient's name and date of birth;
13 (B) the nature of the patient's diagnosis or
14 symptom being treated by medical cannabis;
15 (C) [~~(3)~~] the dosage prescribed to the patient;
16 (D) [~~(4)~~] the means of administration ordered
17 for the patient;
18 (E) [~~and~~
19 [~~(5)~~] the total amount of medical [~~low-THC~~]
20 cannabis required to fill the patient's recommendation; and
21 (F) any severe adverse events the patient may
22 experience due to the medical use of medical cannabis
23 [~~prescription~~].

24 SECTION 4.08. Section 169.005, Occupations Code, is amended
25 to read as follows:

26 Sec. 169.005. PATIENT TREATMENT PLAN. A physician
27 described by Section 169.002 who recommends medical [~~prescribes~~

1 ~~low-THC~~] cannabis for a patient's medical use under this chapter
2 must maintain a patient treatment plan that indicates:

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

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

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

8 SECTION 4.09. Section [169.0011](#), Occupations Code, is
9 repealed.

10 ARTICLE 5. CONFORMING AMENDMENTS

11 SECTION 5.01. Section [161.001\(c\)](#), Family Code, is amended
12 to read as follows:

13 (c) A court may not make a finding under Subsection (b) and
14 order termination of the parent-child relationship based on
15 evidence 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 5.02. Section 262.116(a), Family Code, is amended
3 to read as follows:

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

- 7 (1) homeschooled the child;
8 (2) is economically disadvantaged;
9 (3) has been charged with a nonviolent misdemeanor
10 offense other than:

- 11 (A) an offense under Title 5, Penal Code;
12 (B) an offense under Title 6, Penal Code; or
13 (C) an offense that involves family violence, as
14 defined by Section 71.004 of this code;

15 (4) provided or administered medical [~~low-THC~~]
16 cannabis to a child for whom the medical [~~low-THC~~] cannabis was
17 recommended [~~prescribed~~] under Chapter 169, Occupations Code; or

18 (5) declined immunization for the child for reasons of
19 conscience, including a religious belief.

20 SECTION 5.03. Section 411.0891(a), Government Code, is
21 amended to read as follows:

22 (a) Subject to Section 411.087, the department is
23 authorized to obtain and use criminal history record information
24 maintained by the Federal Bureau of Investigation or the department
25 that relates to a person who:

- 26 (1) is an applicant for or holds a registration issued
27 by the director under Subchapter C, Chapter 481, Health and Safety

1 Code, that authorizes the person to manufacture, distribute,
2 analyze, or conduct research with a controlled substance;

3 (2) is an applicant for or holds a registration issued
4 by the department under Chapter 487, Health and Safety Code, to be a
5 director, manager, or employee of a medical cannabis [~~dispensing~~]
6 organization, as defined by Section 487.001, Health and Safety
7 Code;

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

12 (4) is an applicant for or holds certification by the
13 department as an inspection station or an inspector under
14 Subchapter G, Chapter 548, Transportation Code, holds an inspection
15 station or inspector certificate issued under that subchapter, or
16 is the owner of an inspection station operating under that chapter;
17 or

18 (5) is an applicant for or holds a certificate of
19 registration issued by the department under Chapter 1956,
20 Occupations Code, to act as a metal recycling entity.

21 SECTION 5.04. Section 443.202(a), Health and Safety Code,
22 is amended to read as follows:

23 (a) This section does not apply to medical [~~low-THC~~]
24 cannabis regulated under Chapter 487.

25 SECTION 5.05. Section 443.2025(a), Health and Safety Code,
26 is amended to read as follows:

27 (a) This section does not apply to medical [~~low-THC~~]

1 cannabis regulated under Chapter 487.

2 SECTION 5.06. 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 medical cannabis [~~dispensing~~] organization
9 licensed under Subchapter C, Chapter 487, or a medical cannabis
10 research organization licensed under Chapter 444, that possesses
11 medical [~~low-THC~~] cannabis.

12 SECTION 5.07. Sections 481.111(e) and (f), Health and
13 Safety Code, are amended to read as follows:

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

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

21 (A) [~~7~~] is a patient for whom medical [~~low-THC~~]
22 cannabis is prescribed under Chapter 169, Occupations Code, or the
23 patient's legal guardian or caregiver; [~~7~~] and

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

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

1 cannabis [~~dispensing~~] organization and the person, solely in
2 performing the person's regular duties at the organization,
3 acquires, possesses, produces, cultivates, dispenses, or disposes
4 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) [~~"Dispensing organization" has the meaning~~
13 ~~assigned by Section 487.001.~~

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

16 (2) "Medical cannabis organization" has the meaning
17 assigned by Section 487.001.

18 (3) "Medical use" has the meaning assigned by Section
19 169.001, Occupations Code.

20 SECTION 5.08. Section 551.004(a), Occupations Code, is
21 amended to read as follows:

22 (a) This subtitle does not apply to:

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

27 (2) a member of the faculty of a college of pharmacy

1 recognized by the board who is a pharmacist and who performs the
2 pharmacist's services only for the benefit of the college;

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

5 (4) a home and community support services agency that
6 possesses a dangerous drug as authorized by Section 142.0061,
7 142.0062, or 142.0063, Health and Safety Code; ~~or~~

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

14 (6) a medical cannabis research organization licensed
15 under Chapter 444, Health and Safety Code, that cultivates,
16 processes, researches, tests, and dispenses medical cannabis as
17 authorized by the license.

18 ARTICLE 6. TRANSITIONS AND EFFECTIVE DATE

19 SECTION 6.01. Not later than December 31, 2021, the
20 Department of Public Safety and the executive commissioner of the
21 Health and Human Services Commission shall adopt rules as required
22 to implement, administer, and enforce this Act.

23 SECTION 6.02. (a) A license to operate as a dispensing
24 organization issued under Chapter 487, Health and Safety Code,
25 before the effective date of this Act continues to be valid after
26 the effective date of this Act until that license expires.

27 (b) The registration of a director, manager, or employee of

1 a dispensing organization under Subchapter D, Chapter 487, Health
2 and Safety Code, continues to be valid after the effective date of
3 this Act until that registration expires.

4 SECTION 6.03. (a) Not later than April 1, 2022, the
5 Department of Public Safety shall license cannabis cultivation
6 organizations in accordance with Subchapter C, Chapter 487, Health
7 and Safety Code, as amended by this Act, provided that the
8 applicants for a license have met all requirements for approval
9 under that subchapter.

10 (b) Not later than June 1, 2022, the Department of Public
11 Safety shall license other classes of medical cannabis
12 organizations in accordance with Subchapter C, Chapter 487, Health
13 and Safety Code, as amended by this Act, provided that the
14 applicants for a license have met all requirements for approval
15 under that subchapter.

16 (c) The governor shall appoint members to the medical
17 cannabis research advisory board as required under Chapter 444,
18 Health and Safety Code, as added by this Act, as soon as practicable
19 and not later than September 1, 2021.

20 SECTION 6.04. This Act takes effect September 1, 2021.