

Amend CSSB 3 (house committee report) by striking all below the enacting clause and substituting the following:

SECTION 1. Section 443.001, Health and Safety Code, is amended by amending Subdivision (1) and adding Subdivision (8-a) to read as follows:

(1) "Consumable hemp product" means food, a drug, a device, or a cosmetic, as those terms are defined by Section 431.002, that contains hemp or one or more hemp-derived cannabinoids, including cannabidiol or cannabigerol.

(8-a) "Minor" means a person under 21 years of age.

SECTION 2. Subchapter A, Chapter 443, Health and Safety Code, is amended by adding Section 443.0025 to read as follows:

Sec. 443.0025. LOW-THC CANNABIS. This chapter does not apply to low-THC cannabis regulated under Chapter 487.

SECTION 3. Subchapter C, Chapter 443, Health and Safety Code, is amended by adding Section 443.1035 to read as follows:

Sec. 443.1035. LICENSING FEES. (a) An applicant for a license under this subchapter shall pay an initial licensing fee to the department in the amount of \$10,000 for each location where the applicant intends to process hemp or manufacture a consumable hemp product.

(b) Before the department may renew a license as provided by Section 443.104, a license holder shall pay a renewal fee to the department in the amount of \$10,000 for each location where the applicant intends to process hemp or manufacture a consumable hemp product.

SECTION 4. Section 443.104(b), Health and Safety Code, is amended to read as follows:

(b) The department shall renew a license if the license holder:

(1) is not ineligible to hold the license under Section 443.102;

(2) has not violated this chapter or a rule adopted under this chapter;

(3) submits to the department any license renewal fee; and

(4) ~~[(3)]~~ does not owe any outstanding fees to the

department.

SECTION 5. Subchapter C, Chapter 443, Health and Safety Code, is amended by adding Section 443.106 to read as follows:

Sec. 443.106. RESTRICTION ON MANUFACTURE OF CERTAIN CONSUMABLE HEMP PRODUCTS. A license holder may not manufacture a consumable hemp product that contains any amount of a cannabinoid other than cannabidiol or cannabigerol.

SECTION 6. Section 443.151, Health and Safety Code, is amended by amending Subsections (a), (b), and (d) and adding Subsections (d-1) and (d-2) to read as follows:

(a) A consumable hemp product must be tested as provided by~~+~~

~~[(1)]~~ Subsections (b), ~~[and]~~ (c), ~~and~~~~+~~~~or~~
~~[(2) Subsection]~~ (d).

(b) Before a hemp plant is processed or otherwise used in the manufacture of a consumable hemp product, a sample representing the plant must be tested, as required by the executive commissioner, to determine:

(1) the concentration and identity of the ~~[various]~~ cannabinoids in the plant; and

(2) the presence or quantity of heavy metals, pesticides, microbial contamination, and any other substance prescribed by the department.

(d) Before ~~[Except as otherwise provided by Subsection (c), before]~~ a consumable hemp product is sold at retail or otherwise introduced into commerce in this state, a sample representing the hemp product must be tested:

(1) by a laboratory that is:

(A) located in this state;

(B) registered with the United States Drug Enforcement Administration; and

(C) accredited by an accreditation body in accordance with International Organization for Standardization ISO/IEC 17025 or a comparable or successor standard to determine the identity and ~~[delta-9 tetrahydrocannabinol]~~ concentration of any cannabinoids contained in the product; and

(2) by an appropriate laboratory to determine that the

product does not contain a substance described by Subsection (b)(2) ~~[(b)]~~ or (c) in a quantity prohibited for purposes of those subsections.

(d-1) The testing required under Subsection (d) must use post-decarboxylation, high-performance liquid chromatography, or a similar method that includes the conversion of tetrahydrocannabinolic acid into tetrahydrocannabinol to determine the total tetrahydrocannabinol concentration in a tested product.

(d-2) A person that tests a consumable hemp product under Subsection (d) shall report the test results to the department in the form and manner required by the department.

SECTION 7. Sections 443.152(a) and (c), Health and Safety Code, are amended to read as follows:

(a) A consumable hemp product that contains any amount of a cannabinoid other than cannabidiol or cannabigerol ~~[has a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent]~~ may not be sold at retail or otherwise introduced into commerce in this state.

(c) A license holder shall make available to a seller of a consumable hemp product processed or manufactured by the license holder the results of testing required by Section 443.151. The results may accompany a shipment to the seller or be made available to the seller electronically. If the results are not able to be made available, the seller may have the testing required under Section 443.151 performed on the product and shall make the results available to a consumer and the department.

SECTION 8. Sections 443.202(b) and (c), Health and Safety Code, are amended to read as follows:

(b) Notwithstanding any other law, a person may not sell, offer for sale, possess, distribute, or transport a cannabinoid oil~~[, including cannabidiol oil,]~~ in this state:

(1) if the oil contains any material extracted or derived from the plant *Cannabis sativa* L., other than from hemp produced in compliance with 7 U.S.C. Chapter 38, Subchapter VII; and

(2) unless a sample representing the oil has been tested by a laboratory that is accredited by an independent

accreditation body in accordance with International Organization for Standardization ISO/IEC 17025 or a comparable or successor standard and found to not contain any amount of a cannabinoid other than cannabidiol or cannabigerol ~~[have a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent]~~.

(c) The department ~~[and the Department of Public Safety]~~ shall establish a process for the ~~[random]~~ testing of cannabinoid oil~~[, including cannabidiol oil,]~~ at various retail and other establishments that sell, offer for sale, distribute, or use the oil to ensure that the oil:

(1) does not contain harmful ingredients;

(2) is produced in compliance with 7 U.S.C. Chapter 38, Subchapter VII; and

(3) does not contain any amount of a cannabinoid other than cannabidiol or cannabigerol ~~[has a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent]~~.

SECTION 9. The heading to Section 443.2025, Health and Safety Code, is amended to read as follows:

Sec. 443.2025. REGISTRATION REQUIRED FOR RETAILERS OF CERTAIN CONSUMABLE HEMP PRODUCTS.

SECTION 10. Section 443.2025, Health and Safety Code, is amended by amending Subsections (b), (d), and (f) and adding Subsection (h) to read as follows:

(b) A person may not sell consumable hemp products containing a cannabinoid ~~[cannabidiol]~~ at retail in this state unless the person registers with the department each location owned, operated, or controlled by the person at which those products are sold. A person is not required to register a location associated with an employee ~~[or independent contractor]~~ described by Subsection (d).

(d) A person is not required to register with the department under Subsection (b) if the person is~~+~~

~~[(1)] an employee of a registrant[, or~~

~~[(2)] an independent contractor of a registrant who sells the registrant's products at retail]~~.

(f) The owner of a location at which consumable hemp products are sold shall annually pay to the department a

registration fee in the amount of \$20,000 for each location owned by the person at which those products are sold ~~[The department by rule may adopt a registration fee schedule that establishes reasonable fee amounts for the registration of:~~

~~[(1) a single location at which consumable hemp products containing cannabidiol are sold, and~~

~~[(2) multiple locations at which consumable hemp products containing cannabidiol are sold under a single registration].~~

(h) A person may not sell consumable hemp products unless the person has provided to the department written consent from the person or the property owner, if the person is not the property owner, allowing the department, the Department of Public Safety, and any other state or local law enforcement agency to enter onto all premises where consumable hemp products are sold to conduct a physical inspection or to ensure compliance with this chapter and rules adopted under this chapter.

SECTION 11. Subchapter E, Chapter 443, Health and Safety Code, is amended by adding Section 443.2026 to read as follows:

Sec. 443.2026. CONSUMABLE HEMP PRODUCT REGISTRATION. (a) A consumable hemp product may not be offered for sale in this state unless the manufacturer of the product, before selling the product to a retailer:

(1) submits an application for the consumable hemp product to be registered with the department; and

(2) receives approval that the product is compliant with this chapter, registered, and approved for sale in this state.

(b) The department shall issue a unique product registration number to each consumable hemp product approved by the department.

(c) A manufacturer applying to register a consumable hemp product under this section shall pay an application fee to the department in the amount of \$500 for each consumable hemp product.

(d) The department shall maintain an updated product registration list on the department's public Internet website, which must include front and back identifying pictures of each registered product.

(e) Each consumable hemp product, including the container and package, if applicable, must be labeled with:

(1) a QR code that links:

(A) to the department's product registration list under Subsection (d); and

(B) to the identifying picture of the product provided on registration of the product with the department under Subsection (d) for the purpose of confirming registration of the product and allowing verification of the product by law enforcement; and

(2) the following message placed adjacent to the required QR code on the label: "SCAN QR CODE BEFORE PURCHASE".

(f) The department may not approve for sale a consumable hemp product that:

(1) contains any artificial or synthetic cannabinoids; or

(2) contains or is mixed with any alcohol, tobacco, nicotine, kratom, kava, mushrooms, or a derivative of any of those items.

(g) A person commits an offense if the person distributes, delivers, sells, purchases, possesses, or uses a consumable hemp product that is not registered with the department as provided by this section.

(h) An offense under this section is a Class B misdemeanor.

(i) A person is presumed to know a consumable hemp product is prohibited under this chapter if the product is not listed on the department's Internet website as required by Subsection (d) or does not have a valid QR code under Subsection (e).

(j) The executive commissioner shall adopt rules to implement and administer this section.

SECTION 12. Section 443.203, Health and Safety Code, is amended to read as follows:

Sec. 443.203. DECEPTIVE TRADE PRACTICE. (a) A person who sells, offers for sale, or distributes a consumable hemp product [~~cannabinoid oil, including cannabidiol oil,~~] that the person claims is processed or manufactured in compliance with this chapter commits a false, misleading, or deceptive act or practice

actionable under Subchapter E, Chapter 17, Business & Commerce Code, if the product ~~[oil]~~ is not processed or manufactured in accordance with this chapter.

(b) A person who sells, offers for sale, or distributes a consumable hemp product ~~[cannabinoid oil]~~ commits a false, misleading, or deceptive act or practice actionable under Subchapter E, Chapter 17, Business & Commerce Code, if ~~[the oil]~~:

- (1) the product contains harmful ingredients;
- (2) the product is not produced in compliance with 7 U.S.C. Chapter 38, Subchapter VII; ~~[or]~~
- (3) the product contains any amount of a cannabinoid other than cannabidiol or cannabigerol; or
- (4) the product's packaging or advertising indicates that the product is for medical use ~~[has a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent]~~.

SECTION 13. Section 443.204, Health and Safety Code, is amended to read as follows:

Sec. 443.204. RULES RELATED TO SALE OF CONSUMABLE HEMP PRODUCTS. Rules adopted by the executive commissioner regulating the sale of consumable hemp products must to the extent allowable by federal law reflect the following principles:

- (1) hemp-derived ~~[cannabinoids, including]~~ cannabidiol and cannabigerol~~[7]~~ are not considered controlled substances or adulterants;
- (2) products containing ~~[one or more]~~ hemp-derived ~~[cannabinoids, such as]~~ cannabidiol or cannabigerol~~[7]~~ intended for ingestion are considered foods, not controlled substances or adulterated products; and
- (3) consumable hemp products must be packaged and labeled in the manner provided by Section 443.205~~[7 and~~
- ~~[(4) the processing or manufacturing of a consumable hemp product for smoking is prohibited]~~.

SECTION 14. Sections 443.205(a) and (c), Health and Safety Code, are amended to read as follows:

(a) Before a consumable hemp product that contains or is marketed as containing ~~[more than trace amounts of]~~ cannabinoids may be distributed or sold, the product must be:

(1) labeled in the manner provided by this subchapter,
including ~~[section with]~~ the following information:

- (A) ~~[(1)]~~ batch identification number;
- (B) ~~[(2)]~~ batch date;
- (C) ~~[(3)]~~ product name;
- (D) ~~[(4)]~~ a uniform resource locator (URL) that provides or links to a certificate of analysis for the product or each hemp-derived ingredient of the product;
- (E) ~~[(5)]~~ the name of the product's manufacturer;
- (F) the amount of cannabidiol or cannabigerol in each serving or unit of the product; and
- (G) ~~[(6)]~~ a certification that there is no detectable amount of any cannabinoid other than cannabidiol or cannabigerol in the product; and

(2) prepackaged or placed at the time of sale in packaging or a container that is:

- (A) tamper-evident;
- (B) child-resistant; and
- (C) if the product contains multiple servings or consists of multiple products purchased in one transaction, resealable in a manner that allows the child-resistant mechanism to remain intact ~~[the delta-9 tetrahydrocannabinol concentration of the product or each hemp-derived ingredient of the product is not more than 0.3 percent]~~.

(c) The label required by Subsection (a) must appear on the outer packaging of each unit of the product intended for individual retail sale. ~~[If that unit includes inner and outer packaging, the label may appear on any of that packaging.]~~

SECTION 15. Subchapter E, Chapter 443, Health and Safety Code, is amended by adding Sections 443.2055 and 443.2056 to read as follows:

Sec. 443.2055. OFFENSE: MARKETING OF CONSUMABLE HEMP PRODUCT OR PACKAGING IN MANNER ATTRACTIVE TO MINORS. (a) A person commits an offense if the person markets, advertises, sells, or causes to be sold an edible consumable hemp product containing a hemp-derived cannabinoid that:

(1) is in the shape of a human, animal, fruit, or cartoon or in another shape that is attractive to children; or

(2) is in packaging or a container that:

(A) is in the shape of a human, animal, fruit, or cartoon or in another shape that is attractive to children;

(B) depicts an image of a human, animal, fruit, or cartoon or another image that is attractive to children;

(C) imitates or mimics trademarks or trade dress of products that are or have been primarily marketed to minors;

(D) includes a symbol that is primarily used to market products to minors;

(E) includes an image of a celebrity; or

(F) includes an image that resembles a food product, including candy or juice.

(b) In this section, a cartoon includes a depiction of an object, person, animal, creature, or any similar caricature that:

(1) uses comically exaggerated features and attributes;

(2) assigns human characteristics to animals, plants, or other objects; or

(3) has unnatural or extra-human abilities, such as imperviousness to pain or injury, x-ray vision, tunneling at very high speeds, or transformation.

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

Sec. 443.2056. OFFENSE: MISLEADING CONSUMABLE HEMP PACKAGING. (a) A person commits an offense if the person sells or offers for sale a consumable hemp product that contains or is marketed as containing hemp-derived cannabinoids in a package that depicts any statement, artwork, or design that would likely mislead a person to believe:

(1) the package does not contain a hemp-derived cannabinoid; or

(2) the product is intended for medical use, including by depicting a green cross.

(b) An offense under this section is a Class A misdemeanor.

SECTION 16. Section 443.206, Health and Safety Code, is amended to read as follows:

Sec. 443.206. RETAIL SALE OF OUT-OF-STATE CONSUMABLE HEMP PRODUCTS. Retail sales of consumable hemp products processed or manufactured outside of this state may be made in this state when the products were processed or manufactured in another state or jurisdiction if the products:

(1) were manufactured or processed in compliance with:

(A) [~~(1)~~] that state's [~~state~~] or jurisdiction's plan approved by the United States Department of Agriculture under 7 U.S.C. Section 1639p;

(B) [~~(2)~~] a plan established under 7 U.S.C. Section 1639q if that plan applies to the state or jurisdiction; or

(C) [~~(3)~~] the laws of that state or jurisdiction if the products are tested in accordance with, or in a manner similar to, Section 443.151;

(2) do not contain any amount of a cannabinoid other than cannabidiol or cannabigerol; and

(3) are packaged and labeled in the manner provided by this subchapter.

SECTION 17. Chapter 443, Health and Safety Code, is amended by adding Subchapters F and G to read as follows:

SUBCHAPTER F. CRIMINAL OFFENSES

Sec. 443.251. OFFENSE: MANUFACTURE, DELIVERY, OR POSSESSION WITH INTENT TO DELIVER OF CERTAIN CONSUMABLE HEMP PRODUCTS. (a) A person commits an offense if the person knowingly manufactures, delivers, or possesses with intent to deliver a consumable hemp product that contains any amount of a cannabinoid other than cannabidiol or cannabigerol.

(b) An offense under this section is a felony of the third degree.

(c) If conduct constituting an offense under this section also constitutes an offense under another law, the actor may be prosecuted under this section, the other law, or both.

Sec. 443.252. OFFENSE: POSSESSION OF CERTAIN CONSUMABLE HEMP PRODUCTS. (a) A person commits an offense if the person knowingly or intentionally possesses a consumable hemp product that contains any amount of a cannabinoid other than cannabidiol or cannabigerol.

(b) An offense under this section is a Class A misdemeanor.

(c) If conduct constituting an offense under this section also constitutes an offense under another law, the actor may be prosecuted under this section, the other law, or both.

Sec. 443.253. OFFENSE: SALE OR DISTRIBUTION OF CERTAIN CONSUMABLE HEMP PRODUCTS TO PERSONS YOUNGER THAN 21 YEARS OF AGE; PROOF OF AGE REQUIRED. (a) A person commits an offense if the person, with criminal negligence, sells a consumable hemp product that contains or is marketed as containing hemp-derived cannabinoids to a person who is younger than 21 years of age.

(b) An employee of the owner of a store in which consumable hemp products that contain or are marketed as containing hemp-derived cannabinoids are sold at retail is criminally responsible and subject to prosecution for an offense under this section that occurs in connection with a sale by the employee.

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

(d) It is a defense to prosecution under Subsection (a) that the person to whom the consumable hemp product was sold presented to the defendant apparently valid proof of identification.

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

(f) The owner of a store in which consumable hemp products that contain or are marketed as containing hemp-derived cannabinoids are sold, or an employee of the owner, may not display consumable hemp products for sale adjacent to products that are legal for children to consume.

Sec. 443.254. OFFENSE: MANUFACTURE, DISTRIBUTION, OR SALE OF CONSUMABLE HEMP PRODUCTS FOR SMOKING. (a) A person commits an offense if the person manufactures, distributes, sells, or offers for sale a consumable hemp product for smoking.

(b) An offense under this section is a Class B misdemeanor.

Sec. 443.255. OFFENSE: SALE OR DELIVERY OF CERTAIN CONSUMABLE HEMP PRODUCTS NEAR SCHOOL. (a) In this section, "school" and "premises" have the meanings assigned by Section 481.134.

(b) A person commits an offense if the person sells, offers for sale, or delivers a consumable hemp product containing a hemp-derived cannabinoid in, on, or within 1,000 feet of the premises of a school.

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

Sec. 443.256. OFFENSE: PROVISION OF CERTAIN CONSUMABLE HEMP PRODUCT BY COURIER, DELIVERY, OR MAIL SERVICE. (a) A person commits an offense if the person provides a consumable hemp product containing a hemp-derived cannabinoid by courier, delivery, or mail service.

(b) An offense under this section is a Class A misdemeanor.

Sec. 443.257. OFFENSE: FALSE LABORATORY REPORT. (a) A person commits an offense if the person, with the intent to deceive, forges, falsifies, or alters the results of a laboratory test authorized or required by this chapter.

(b) An offense under this section is a felony of the third degree.

Sec. 443.258. OFFENSE: MANUFACTURING OR SELLING WITHOUT LICENSE OR REGISTRATION. (a) A person commits an offense if the person:

(1) processes hemp or manufactures a consumable hemp product without a license issued under Subchapter C; or

(2) sells at retail or offers for sale at retail a consumable hemp product without registering as a retailer under Section 443.2025.

(b) An offense under this section is a felony of the third degree.

SUBCHAPTER G. ADMINISTRATIVE ENFORCEMENT

Sec. 443.301. ENFORCEMENT BY DEPARTMENT. (a) The department shall receive and investigate complaints concerning violations of this chapter by:

(1) a license holder under Subchapter C; or

(2) a registrant under Section 443.2025.

(b) The department may revoke, suspend, or refuse to renew a license or registration for a violation of this chapter or a rule adopted under this chapter.

(c) The department may impose an administrative penalty in an amount not to exceed \$10,000 against a license holder or registrant for each violation of this chapter or a rule adopted under this chapter.

(d) A proceeding under this section is a contested case under Chapter 2001, Government Code.

SECTION 18. The following provisions of the Health and Safety Code are repealed:

- (1) Section 443.151(e);
- (2) Section 443.201; and
- (3) Sections 443.202(a) and 443.2025(a) and (c).

SECTION 19. Not later than December 1, 2025, the executive commissioner of the Health and Human Services Commission shall adopt the rules required by Section 443.2026, Health and Safety Code, as added by this Act.

SECTION 20. (a) Except as otherwise provided by Subsection (b) of this section, the changes in law made by this Act apply to the manufacture, sale, delivery, or possession of a consumable hemp product that occurs on or after the effective date of this Act. The manufacture, sale, delivery, or possession of a consumable hemp product that occurs before the effective date of this Act is governed by the law in effect on the date the manufacture, sale, delivery, or possession occurred and the former law is continued in effect for that purpose.

(b) A person selling consumable hemp products on the effective date of this Act is not required to register a product under Section 443.2026, Health and Safety Code, as added by this Act, before January 1, 2026.

SECTION 21. This Act takes effect September 1, 2025.