

AN ACT

relating to the medical use of low-THC cannabis under and the administration of the Texas Compassionate-Use Program; requiring registration.

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

SECTION 1. Section 487.053(a), Health and Safety Code, is amended to read as follows:

(a) The department shall:

(1) issue or renew a license to operate as a dispensing organization to each applicant who satisfies the requirements established under this chapter; and

(2) register directors, owners, managers, members, and employees of each dispensing organization.

SECTION 2. Section 487.054, Health and Safety Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) Information within the registry regarding patient identification, including the fact that a person is listed as a patient in the registry, is confidential and may only be accessed by the department, registered physicians, and dispensing organizations for the purposes of this chapter. Confidential information under this subsection may not be disclosed except as authorized under this chapter and is not subject to disclosure under Chapter 552, Government Code.

(d) Notwithstanding Subsection (c), on request by a

1 patient, the department may release patient information contained
2 in the registry to the patient or a person designated by the
3 patient.

4 SECTION 3. Section 487.101, Health and Safety Code, is
5 amended to read as follows:

6 Sec. 487.101. LICENSE REQUIRED. (a) A license issued by the
7 department under this chapter is required to operate a dispensing
8 organization.

9 (b) A dispensing organization licensed under this chapter
10 is not required to apply for an additional license for the use of a
11 satellite location for secure storage of low-THC cannabis if:

12 (1) the address of the satellite location was included
13 in the application; or

14 (2) the dispensing organization obtains approval from
15 the department under Section 487.1035.

16 SECTION 4. Section 487.102, Health and Safety Code, is
17 amended to read as follows:

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

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

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

25 (B) the ability to secure:

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

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

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

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

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

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

SECTION 5. Section 487.103(b), Health and Safety Code, is amended to read as follows:

(b) The application must include:

(1) the name and address of the applicant;

(2) [7] the name and address of each of the applicant's directors, owners, managers, members, and employees;

(3) the address of any satellite location that will be used by the applicant for secure storage of low-THC cannabis under Section 487.1035; [7] and

(4) any other information considered necessary by the department to determine the applicant's eligibility for the license.

SECTION 6. Subchapter C, Chapter 487, Health and Safety Code, is amended by adding Section 487.1035 to read as follows:

Sec. 487.1035. SATELLITE LOCATIONS. (a) A dispensing organization licensed under this chapter may operate one or more satellite locations in addition to the organization's primary location to securely store low-THC cannabis for distribution.

(b) A satellite location must be approved by the department before a dispensing organization may operate the location. A dispensing organization may apply for approval in the form and manner prescribed by the department.

(c) The department must act on an application submitted under Subsection (b) not later than the 180th day after the date the application is submitted to the department.

(d) The director shall adopt rules regarding the design and security requirements for satellite locations.

(e) A dispensing organization may not operate more than one satellite location in a public health region designated under Section 121.007 until the dispensing organization operates one satellite location in each public health region.

(f) A location previously approved by the department as a patient pickup location before September 1, 2025, is considered to be approved as a satellite location under Subsection (b) for purposes of this section and is permitted to:

(1) operate as a patient pickup location; and

(2) securely store low-THC cannabis for distribution.

SECTION 7. Section 487.104, Health and Safety Code, is amended by amending Subsection (b) and adding Subsections (b-1),

(d), (d-1), (e), and (f) to read as follows:

(b) Except as provided by Subsection (b-1), if ~~if~~ the
department denies the issuance or renewal of a license under
Subsection (a), the applicant is entitled to a hearing. Chapter
2001, Government Code, applies to a proceeding under this section.

(b-1) If the department denies the issuance of a license
under this section to an applicant that has never held a license
under this section, the applicant is not entitled to a hearing.

(d) The department shall issue 15 licenses under this
section to dispensing organizations in this state provided that the
department receives applications from a sufficient number of
applicants meeting the requirements for eligibility under this
subchapter.

(d-1) The department shall issue initial licenses to
dispensing organizations under this section based on a competitive
evaluation of applicant qualifications relative to other
applicants.

(e) The department shall issue and renew licenses under this
section in a manner that ensures adequate access to low-THC
cannabis for patients registered in the compassionate-use registry
in each public health region designated under Section 121.007.

(f) The director shall adopt rules to establish a timeline
for reviewing and taking action on an application submitted under
this section.

SECTION 8. Subchapter C, Chapter 487, Health and Safety
Code, is amended by adding Section 487.1045 to read as follows:

Sec. 487.1045. REQUIREMENT OF LICENSE HOLDER TO BEGIN AND

1 MAINTAIN OPERATIONS. (a) An applicant issued a license to operate a
2 dispensing organization must begin dispensing low-THC cannabis not
3 later than 24 months after the date the license is issued and
4 continue dispensing low-THC cannabis during the term of a license
5 issued under this subchapter.

6 (b) The director shall adopt rules to:

7 (1) monitor whether a dispensing organization is using
8 a license issued under this subchapter to dispense low-THC
9 cannabis; and

10 (2) revoke the license of a dispensing organization
11 that does not dispense low-THC cannabis within the time required by
12 this section or that discontinues dispensing low-THC cannabis
13 during the term of a license.

14 SECTION 9. Section 487.105, Health and Safety Code, is
15 amended by amending Subsections (a) and (b) and adding Subsection
16 (c-1) to read as follows:

17 (a) An applicant for the issuance or renewal of a license to
18 operate as a dispensing organization shall provide the department
19 with the applicant's name and the name of each of the applicant's
20 directors, owners, managers, members, and employees.

21 (b) Before a dispensing organization licensee hires a
22 manager or employee for the organization, the licensee must provide
23 the department with the name of the prospective manager or
24 employee. The licensee may not transfer the license to another
25 person before that prospective applicant and the applicant's
26 directors, owners, managers, members, and employees pass a criminal
27 history background check and are registered as required by

Subchapter D.

(c-1) This section does not apply to a director, owner, manager, member, or employee who does not exercise direct control over the daily operations of the dispensing organization.

SECTION 10. Section 487.107, Health and Safety Code, is amended by adding Subsection (c) to read as follows:

(c) A dispensing organization may not dispense to a person low-THC cannabis in a:

(1) package or container that contains more than a total of one gram of tetrahydrocannabinols; or

(2) medical device for pulmonary inhalation that contains more than one gram of tetrahydrocannabinols.

SECTION 11. Subchapter C, Chapter 487, Health and Safety Code, is amended by adding Section 487.1071 to read as follows:

Sec. 487.1071. CANNABINOIDS ELIGIBLE FOR DISPENSING. (a) In this section, "phytocannabinoid" means a chemical substance:

(1) created naturally by a plant of the species Cannabis sativa L. that is separated from the plant by a mechanical or chemical extraction process;

(2) created naturally by a plant of the species Cannabis sativa L. that binds to or interacts with the cannabinoid receptors of the endocannabinoid system; or

(3) produced by decarboxylation from a naturally occurring cannabinoid acid without the use of a chemical catalyst.

(b) A dispensing organization may not dispense a low-THC cannabis product that contains a cannabinoid that is not a phytocannabinoid.

SECTION 12. Section 487.151(a), Health and Safety Code, is amended to read as follows:

(a) An individual who is a director, owner, manager, member, or employee of a dispensing organization must apply for and obtain a registration under this section.

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

Sec. 487.201. COUNTIES AND MUNICIPALITIES MAY NOT PROHIBIT LOW-THC CANNABIS. A municipality, county, or other political subdivision may not enact, adopt, or enforce a rule, ordinance, order, resolution, or other regulation that prohibits the cultivation, production, storage, dispensing, or possession of low-THC cannabis, as authorized by this chapter.

SECTION 14. Section 169.001, Occupations Code, is amended to read as follows:

Sec. 169.001. DEFINITIONS. In this chapter:

(1) "Chronic pain" means pain that is not relieved with acute, post-surgical, post-procedure, or persistent non-chronic pain treatment and is associated with a chronic pathological process that causes continuous or intermittent severe pain for more than 90 days and for which tetrahydrocannabinol is a viable method of treatment.

(1-a) "Department" means the Department of Public Safety.

(1-b) "Executive commissioner" means the executive commissioner of the Health and Human Services Commission.

(2) [~~(1-a)~~] "Incurable neurodegenerative disease"

1 means a disease designated as an incurable neurodegenerative
2 disease by rule of the executive commissioner [~~of the Health and~~
3 ~~Human Services Commission~~], adopted in consultation with the
4 National Institutes of Health.

5 (3) "Low-THC cannabis" means the plant Cannabis sativa
6 L., and any part of that plant or any compound, manufacture, salt,
7 derivative, mixture, preparation, resin, or oil of that plant that
8 contains not more than 10 milligrams [~~one percent by weight~~] of
9 tetrahydrocannabinols in each dosage unit.

10 (4) "Medical use" means the ingestion, absorption, or
11 insertion by a means of administration other than by smoking of a
12 prescribed amount of low-THC cannabis by a person for whom low-THC
13 cannabis is prescribed under this chapter.

14 (5) "Smoking" means burning or igniting a substance
15 and inhaling the smoke. The term does not include inhaling a
16 medication or other substance that is otherwise aerosolized or
17 vaporized for administration by pulmonary inhalation.

18 SECTION 15. Section 169.003, Occupations Code, is amended
19 to read as follows:

20 Sec. 169.003. PRESCRIPTION OF LOW-THC CANNABIS. (a) A
21 physician described by Section 169.002 may prescribe low-THC
22 cannabis to a patient if:

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

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

27 (A) the patient is diagnosed with:

- 1 (i) epilepsy;
- 2 (ii) a seizure disorder;
- 3 (iii) multiple sclerosis;
- 4 (iv) spasticity;
- 5 (v) amyotrophic lateral sclerosis;
- 6 (vi) autism;
- 7 (vii) cancer;
- 8 (viii) an incurable neurodegenerative
- 9 disease;
- 10 (ix) post-traumatic stress disorder;
- 11 (x) a condition that causes chronic pain;
- 12 (xi) traumatic brain injury;
- 13 (xii) Crohn's disease or other inflammatory
- 14 bowel disease;
- 15 (xiii) a terminal illness or a condition
- 16 for which a patient is receiving hospice or palliative care; or
- 17 (xiv) [~~(x)~~] a medical condition that is
- 18 approved for a research program under Subchapter F, Chapter 487,
- 19 Health and Safety Code, and for which the patient is receiving
- 20 treatment under that program; and
- 21 (B) the physician determines the risk of the
- 22 medical use of low-THC cannabis by the patient is reasonable in
- 23 light of the potential benefit for the patient.
- 24 (b) Each prescription issued by a physician to a patient for
- 25 low-THC cannabis:
- 26 (1) may only provide for a 90-day supply of low-THC
- 27 cannabis based on the dosage prescribed to the patient; and

1 (2) may provide up to four refills of a 90-day supply
2 of low-THC cannabis.

3 (c) A physician may prescribe more than one package in a
4 90-day period.

5 (d) A physician may submit to the Department of State Health
6 Services a request that the department report to the legislature
7 that low-THC cannabis may be beneficial to treat a specific medical
8 condition not listed in Subsection (a)(3)(A). The request must be
9 accompanied by medical evidence such as peer-reviewed published
10 research demonstrating that low-THC cannabis may be beneficial to
11 treat that medical condition. The executive commissioner by rule
12 shall prescribe the manner in which a physician may submit a request
13 under this subsection.

14 SECTION 16. Chapter 169, Occupations Code, is amended by
15 adding Section 169.006 to read as follows:

16 Sec. 169.006. ADMINISTRATION OF LOW-THC CANNABIS BY
17 PULMONARY INHALATION. (a) A physician may prescribe pulmonary
18 inhalation of an aerosol or vapor as a means of administration of
19 low-THC cannabis if the physician determines that based on the
20 patient's condition there is a medical necessity for that means of
21 administration.

22 (b) The prescription under Subsection (a) must specify the
23 amount of tetrahydrocannabinols in each dosage unit to be
24 administered by pulmonary inhalation that is medically necessary
25 based on the patient's condition.

26 (c) The executive commissioner shall adopt rules:

27 (1) related to medical devices for pulmonary

1 inhalation of low-THC cannabis; and

2 (2) establishing a reasonable timeline for reviewing
3 and granting approval for medical devices for pulmonary inhalation.

4 SECTION 17. Not later than October 1, 2025:

5 (1) the director of the Department of Public Safety
6 shall adopt the rules necessary to implement the changes in law made
7 by this Act to Chapter 487, Health and Safety Code; and

8 (2) the executive commissioner of the Health and Human
9 Services Commission shall adopt the rules necessary to implement
10 Section 169.006, Occupations Code, as added by this Act.

11 SECTION 18. Provided that applicants for a license to
12 operate as a dispensing organization have met the requirements for
13 approval provided by Subchapter C, Chapter 487, Health and Safety
14 Code, as amended by this Act, the Department of Public Safety shall:

15 (1) not later than December 1, 2025, license at least
16 nine new dispensing organizations from applications submitted
17 before July 1, 2025; and

18 (2) not later than April 1, 2026, in addition to any
19 licenses issued by the Department of Public Safety under
20 Subdivision (1) of this section, license at least three new
21 dispensing organizations from applications submitted at any time.

22 SECTION 19. This Act takes effect September 1, 2025.

President of the Senate

Speaker of the House

I certify that H.B. No. 46 was passed by the House on May 13, 2025, by the following vote: Yeas 122, Nays 21, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 46 on May 30, 2025, and requested the appointment of a conference committee to consider the differences between the two houses; that the House adopted the conference committee report on H.B. No. 46 on June 1, 2025, by the following vote: Yeas 138, Nays 1, 2 present, not voting; that the House adopted S.C.R. No. 56 authorizing certain corrections in H.B. No. 46 on June 1, 2025, by the following vote: Yeas 137, Nays 0, 1 present, not voting; and that the House adopted H.C.R. No. 171 authorizing certain corrections in H.B. No. 46 on June 2, 2025, by the following vote: Yeas 138, Nays 0, 1 present, not voting.

Chief Clerk of the House

H.B. No. 46

I certify that H.B. No. 46 was passed by the Senate, with amendments, on May 27, 2025, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; that the Senate adopted the conference committee report on H.B. No. 46 on June 1, 2025, by the following vote: Yeas 31, Nays 0; that the Senate adopted S.C.R. No. 56 authorizing certain corrections in H.B. No. 46 on June 1, 2025, by the following vote: Yeas 31, Nays 0; and that the Senate adopted H.C.R. No. 171 authorizing certain corrections in H.B. No. 46 on June 2, 2025, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor