S.B. No. 734 By: Menéndez

A BILL TO BE ENTITLED

AN ACT

2	relating	to	authorizing	the	possession,	use,	cultivation

- distribution, delivery, sale, and research of medical cannabis for
- medical use by patients with certain medical conditions and the 4
- 5 licensing of medical cannabis organizations; authorizing a fee.
- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- ARTICLE 1. CHANGES TO TEXAS COMPASSIONATE USE PROGRAM 7
- SECTION 1.01. Section 487.001, Health and Safety Code, is 8
- amended to read as follows: 9
- Sec. 487.001. DEFINITIONS. In this chapter: 10
- 11 (1) "Caregiver" means a person who has a significant
- 12 responsibility for managing the well-being of a registered patient.
- A caregiver may be either an individual or an organization or other 13
- 14 entity, including a long-term care facility, other health care
- organization, or public institution. 15
- 16 (2) "Department" means the Department of Public
- Safety. 17

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- 18 (3) [(2)] "Director" means the public safety director
- of the department. 19
- [(3) "Dispensing organization" means an organization 20
- 21 licensed by the department to cultivate, process, and dispense
- low-THC cannabis to a patient for whom low-THC cannabis is 22
- 23 prescribed under Chapter 169, Occupations Code.
- (4) "Medical [Low-THC] cannabis" has the meaning 24

- 1 assigned by Section 169.001, Occupations Code.
- 2 (5) "Medical cannabis organization" means any
- 3 organization that cultivates, processes, manufactures,
- 4 distributes, researches, tests, dispenses, or conducts other
- 5 business regarding medical cannabis as authorized by a license
- 6 issued by the department under this chapter.
- 7 (6) "Medical cannabis product" means a product, other
- 8 than cannabis itself, which contains or is derived from cannabis.
- 9 The term does not include a product derived from hemp, as defined by
- 10 <u>Section 121.001</u>, Agriculture Code, or a consumable hemp product, as
- 11 defined by Section 443.001 of this code.
- 12 (7) "Medical use" has the meaning assigned by Section
- 13 169.001, Occupations Code.
- SECTION 1.02. Subchapter A, Chapter 487, Health and Safety
- 15 Code, is amended by adding Section 487.002 to read as follows:
- Sec. 487.002. ALLOWABLE AMOUNT OF MEDICAL CANNABIS. The
- 17 allowable amount of medical cannabis for a person for whom medical
- 18 use is recommended under Chapter 169, Occupations Code, is an
- 19 amount of cannabis in any form approved by the physician possessed
- 20 by a qualified patient or collectively possessed by a qualified
- 21 patient and the qualified patient's caregiver that is:
- 22 (1) not more than reasonably necessary to ensure the
- 23 uninterrupted availability of cannabis for a period of three months
- 24 based on the individual patient's recommended amount of medical
- 25 cannabis; and
- 26 (2) obtained solely from a medical cannabis
- 27 organization.

- 1 SECTION 1.03. Chapter 487, Health and Safety Code, is
- 2 amended by adding Subchapter A-1 to read as follows:
- 3 SUBCHAPTER A-1. PROTECTIONS RELATED TO MEDICAL USE OF CANNABIS
- 4 Sec. 487.021. PROTECTION FROM LEGAL ACTION. (a) This
- 5 section applies to a person who is:
- 6 (1) a patient for whom medical use is recommended
- 7 under Chapter 169, Occupations Code, or the parent, legal guardian,
- 8 or caregiver of a patient;
- 9 (2) a medical cannabis organization;
- 10 (3) a director, manager, or employee of a medical
- 11 cannabis organization who is registered with the department under
- 12 Section 487.053; or
- 13 (4) a person participating as a researcher or patient
- 14 in an approved research program under Subchapter G, Chapter 481.
- (b) Notwithstanding any other law, a person described by
- 16 Subsection (a) is not subject to arrest, prosecution, or penalty in
- 17 any manner, or denial of any right or privilege, including any civil
- 18 penalty or disciplinary action by a court or occupational or
- 19 professional licensing board or bureau, for conduct involving
- 20 medical use that is authorized under this chapter, Subchapter G,
- 21 Chapter 481, of this code, Chapter 169, Occupations Code, or
- 22 department rule.
- Sec. 487.022. NO PRESUMPTION OF CHILD ABUSE, NEGLECT, OR
- 24 ENDANGERMENT. A person described by Section 487.021(a) may not be
- 25 presumed to have engaged in conduct constituting child abuse,
- 26 neglect, or endangerment solely because the person engaged in
- 27 <u>conduct involving medical use that is</u> authorized under this

- 1 chapter, Subchapter G, Chapter 481, of this code, Chapter 169,
- 2 Occupations Code, or department rule.
- 3 Sec. 487.023. NO DENIAL OF PARENTAL RIGHTS. The fact that a
- 4 person described by Section 487.021(a) engages in conduct
- 5 authorized under this chapter, Subchapter G, Chapter 481, of this
- 6 code, Chapter 169, Occupations Code, or department rule, does not
- 7 in itself constitute grounds for denying, limiting, or restricting
- 8 conservatorship or possession of or access to a child under Title 5,
- 9 Family Code.
- Sec. 487.024. NO SEIZURE OR FORFEITURE. Property used in
- 11 the cultivation, research, testing, processing, distribution,
- 12 transportation, and delivery of medical cannabis for medical use
- 13 that is authorized under this chapter, Subchapter G, Chapter 481,
- 14 of this code, Chapter 169, Occupations Code, or department rule, is
- 15 not contraband for purposes of Chapter 59, Code of Criminal
- 16 Procedure, and is not subject to seizure or forfeiture under that
- 17 chapter or other law solely for the use of the property in those
- 18 authorized activities.
- 19 Sec. 487.025. NO PROSECUTION FOR PROVISION OF
- 20 PARAPHERNALIA. A person is not subject to arrest, prosecution, or
- 21 the imposition of any sentence or penalty for the delivery,
- 22 possession with intent to deliver, or manufacture of any item that
- 23 meets the definition of drug paraphernalia, as defined by Section
- 24 481.002, if that item is delivered, possessed with intent to
- 25 deliver, or manufactured for the sole purpose of providing that
- 26 item to:
- 27 (1) a patient for whom medical use is recommended

- 1 under Chapter 169, Occupations Code, or the parent, legal guardian,
- 2 or caregiver of a patient;
- 3 (2) a medical cannabis organization;
- 4 (3) a director, manager, or employee of a medical
- 5 cannabis organization who is registered with the department under
- 6 Section 487.053; or
- 7 (4) a person participating as a researcher or patient
- 8 in an approved research program under Subchapter G, Chapter 481.
- 9 Sec. 487.026. NO PUNISHMENT FOR STUDENT PATIENTS AND THEIR
- 10 CAREGIVERS. Notwithstanding any other law:
- 11 (1) a student enrolled in any school, junior college,
- 12 college, university, or other educational institution for whom
- 13 medical cannabis was recommended under Chapter 169, Occupations
- 14 Code, may not be subject to suspension, expulsion, placement in a
- 15 disciplinary alternative education program, or any other form of
- 16 discipline solely because the student possessed, used, or received
- 17 a valid recommendation for medical cannabis; and
- 18 (2) a health care professional providing services at
- 19 any school, junior college, college, university, or other
- 20 educational institution may not be subject to any discipline solely
- 21 for assisting a student in the administration of medical cannabis.
- 22 SECTION 1.04. Section 487.052, Health and Safety Code, is
- 23 amended to read as follows:
- Sec. 487.052. RULES; FEES. (a) The director shall adopt
- 25 any rules necessary for the administration and enforcement of this
- 26 chapter.
- 27 (b) The director shall adopt [, including] rules imposing

- 1 <u>reasonable</u> fees under this chapter in amounts sufficient to cover
- 2 the cost of administering this chapter. The department shall also
- 3 use revenue from fees to establish a cannabis testing and quality
- 4 control fund for the purpose of assisting law enforcement,
- 5 including accredited crime laboratories, to purchase instruments,
- 6 establish methods, and obtain resources needed to conduct forensic
- 7 analysis necessary to enforce this subtitle and to protect the
- 8 health and safety of medical cannabis patients and the public.
- 9 (c) The fees adopted under Subsection (b) may not exceed:
- 10 (1) \$5,000 for application fees;
- 11 (2) \$100 for registration fees under Subchapter D; and
- 12 (3) reasonable amounts for the issuance or renewal of
- 13 each class of license.
- 14 (d) The director may not adopt rules establishing a total
- 15 limit on the number of medical cannabis organization licenses by
- 16 class that may be granted nor set the price of or production
- 17 quantity of medical cannabis.
- SECTION 1.05. Subchapter B, Chapter 487, Health and Safety
- 19 Code, is amended by adding Sections 487.0521 and 487.0522 to read as
- 20 follows:
- Sec. 487.0521. SAFETY. (a) The director by rule shall
- 22 adopt packaging and labeling requirements for medical cannabis to
- 23 ensure patients are informed and protected. In adopting packaging
- 24 and labeling requirements, the director shall ensure that:
- 25 (1) each medical cannabis package is labeled with the
- 26 cannabinoid potency and terpenes profile of medical cannabis or
- 27 medical cannabis product as determined by an independent testing

- 1 laboratory;
- 2 (2) each medical cannabis product and medical cannabis
- 3 package is labeled with the required warnings as determined by the
- 4 department; and
- 5 (3) the packaging and label of medical cannabis or a
- 6 medical cannabis product:
- 7 (A) do not contain any false or misleading
- 8 statements; and
- 9 (B) are not designed to appeal to children.
- 10 (b) The director shall adopt necessary rules to allow the
- 11 department to monitor the safety and efficacy of medical cannabis
- 12 or medical cannabis products, including rules:
- 13 (1) requiring accurate reporting to consumers
- 14 regarding the content of medical cannabis or medical cannabis
- 15 products;
- 16 (2) providing for random testing by the department or
- 17 the department's designee to ensure compliance with labeling and
- 18 reporting requirements; and
- 19 (3) providing for health and safety regulations and
- 20 standards for the manufacture and cultivation of medical cannabis
- 21 and medical cannabis products.
- 22 <u>(c) The director may collect data from medical cannabis</u>
- 23 organizations and health care providers as necessary to enable the
- 24 department to monitor the safety and efficacy of medical cannabis.
- 25 The director may adopt rules for the data collection under this
- 26 subsection.
- 27 <u>Sec. 487.0522.</u> <u>MEDICAL CANNABIS</u> INVENTORY SYSTEM. (a) The

- 1 department shall establish and maintain a medical cannabis
- 2 inventory system that oversees the tracking, tracing, testing, and
- 3 quality control and quality assurance certification of medical
- 4 cannabis and medical cannabis products.
- 5 (b) The department may contract with other entities to
- 6 establish and maintain all or part of the medical cannabis
- 7 inventory system on behalf of the department.
- 8 (c) A medical cannabis organization shall use the medical
- 9 cannabis inventory system approved by the department to keep
- 10 records throughout the cannabis supply chain, including for every
- 11 transaction between license holders and between license holders and
- 12 patients. A medical cannabis organization may additionally use its
- 13 own system for keeping records under this chapter provided the
- 14 organization's system can integrate with the department's medical
- 15 cannabis inventory system as required under this chapter and rules
- 16 <u>adopted under this chapter.</u>
- 17 (d) The records in the medical cannabis inventory system
- 18 must include for each transaction:
- 19 (1) the name, license number, and assigned
- 20 identification number of the license holder that cultivated,
- 21 manufactured, tested, or sold the product;
- 22 (2) the address and phone number of the license holder
- 23 that cultivated, manufactured, tested, or sold the product;
- 24 (3) the type and weight of medical cannabis or medical
- 25 cannabis product transferred or received during the transaction;
- 26 (4) the batch number of the medical cannabis or
- 27 medical cannabis product used;

1 (5) the date of the transaction; 2 (6) the total spent in dollars; and 3 (7) any additional information the department 4 requires. 5 (e) The records in the medical cannabis inventory system must include for each license holder: 6 7 (1) the amount of any medical cannabis waste, in 8 pounds; 9 (2) all point-of-sale records; and 10 (3) any additional information the department requires. 11 (f) Notwithstanding Subsection (c), before the department 12 establishes the medical cannabis inventory system described by that 13 14 subsection, each license holder shall use its own inventory system 15 that meets the requirements of this section. 16 (g) Each medical cannabis organization has a continuing 17 responsibility to maintain records on site that are readily available to the department regardless of the functionality of the 18 medical cannabis inventory system, including the criteria 19 established by this section and any requirements established by 20 rule. 21 (h) The director shall adopt rules necessary for the 22 implementation and enforcement of this section, including rules 23 24 ensuring: (1) the department has 24-hour access to the medical 25 26 cannabis inventory system; and

(2) all inventory records containing patient

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- 1 information comply with Chapter 181 and the Health Insurance
- 2 Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d
- 3 et seq.).
- 4 SECTION 1.06. The heading to Section 487.053, Health and
- 5 Safety Code, is amended to read as follows:
- 6 Sec. 487.053. LICENSING OF MEDICAL CANNABIS [DISPENSING]
- 7 ORGANIZATIONS AND REGISTRATION OF CERTAIN ASSOCIATED INDIVIDUALS.
- 8 SECTION 1.07. Section 487.053(a), Health and Safety Code,
- 9 is amended to read as follows:
- 10 (a) The department shall:
- 11 (1) issue or renew a license <u>under Subchapter C</u> to
- 12 operate as a medical cannabis [dispensing] organization to each
- 13 applicant who satisfies the requirements established under this
- 14 chapter for licensure under that class of medical cannabis
- 15 <u>organization</u>; [and]
- 16 (2) register directors, managers, and employees <u>under</u>
- 17 Subchapter D of each medical cannabis [dispensing] organization;
- 18 (3) issue a permit for an additional location to a
- 19 dispensing cannabis organization license holder on application if
- 20 the license holder is in compliance with all eligibility
- 21 requirements and the proposed location complies with any local
- 22 zoning requirements and will assist with ensuring reasonable
- 23 <u>statewide access;</u>
- 24 (4) to ensure reasonable statewide access, issue not
- 25 <u>fewer than the following number of licenses or permits, as</u>
- 26 applicable, for each type of medical cannabis organization provided
- 27 the department receives an adequate number of qualified

1	applications:						
2	(A) dispensing cannabis organization licenses or						
3	permits for an additional location for a dispensing cannabis						
4	organization license holder, as applicable, based on population						
5	within each of the 11 public health regions established by the						
6	Health and Human Services Commission, as follows:						
7	(i) 9 in public health region 1;						
8	(ii) 6 in public health region 2;						
9	(iii) 82 in public health region 3;						
10	(iv) 12 in public health region 4;						
11	(v) 8 in public health region 5;						
12	(vi) 75 in public health region 6;						
13	(vii) 37 in public health region 7;						
14	(viii) 31 in public health region 8;						
15	(ix) 7 in public health region 9;						
16	(x) 9 in public health region 10; and						
17	(xi) 24 in public health region 11;						
18	(B) one cultivation cannabis organization						
19	license for every four dispensing cannabis organization licenses;						
20	(C) one processing cannabis organization license						
21	for every three dispensing cannabis organization licenses; and						
22	(D) the number of independent testing cannabis						
23	organization licenses necessary to meet demand;						
24	(5) when the number of registered medical cannabis						
25	patients reaches 100,000, issue not fewer than 24 additional						
26	dispensing cannabis organization licenses or location permits, as						
27	applicable, and the appropriate number of other medical cannabis						

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- 1 organization license types as prescribed by Subdivision (4); and
- 2 (6) for each additional 100,000 registered medical
- 3 cannabis patients beyond the first 100,000 patients described by
- 4 Subdivision (5), issue not fewer than 24 additional dispensing
- 5 cannabis organization licenses or location permits, as applicable,
- 6 and the appropriate number of other medical cannabis organization
- 7 <u>license types as prescribed by Subdivision (4)</u>.
- 8 SECTION 1.08. Section 487.054, Health and Safety Code, is
- 9 amended to read as follows:
- 10 Sec. 487.054. COMPASSIONATE-USE REGISTRY. (a) The
- 11 department shall establish and maintain a secure online
- 12 compassionate-use registry that contains:
- 13 (1) the name of each physician who registers as \underline{a}
- 14 physician recommending medical cannabis and for each patient for
- 15 whom the physician has registered:
- 16 (A) [the prescriber for a patient under Section
- 17 169.004, Occupations Code,] the patient's name, and any caregivers'
- 18 names, if applicable;
- 19 (B) the patient's [and] date of birth;
- (C) the nature of the patient's eligible medical
- 21 condition;
- 22 (D) [of the patient,] the dosage recommended;
- (E) [prescribed,] the means of administration
- 24 ordered; $[\tau]$ and
- (F) the total amount of medical [low-THC]
- 26 cannabis required to fill the patient's recommendation
- 27 [prescription]; and

- 1 (2) a record of each amount of medical [low-THC]
- 2 cannabis dispensed by a medical cannabis [dispensing] organization
- 3 to a patient under a recommendation [prescription].
- 4 (b) The department shall ensure the registry:
- 5 (1) is designed to prevent more than one qualified
- 6 physician from registering as the <u>recommending physician</u>
- 7 [prescriber] for a single patient;
- 8 (2) is accessible to law enforcement agencies and
- 9 medical cannabis [dispensing] organizations licensed to dispense
- 10 <u>medical cannabis</u> for the purpose of verifying whether a patient is
- 11 one for whom medical [low-THC] cannabis is recommended [prescribed]
- 12 and whether the patient's recommendations [prescriptions] have
- 13 been filled; [and]
- 14 (3) allows a physician [qualified to prescribe low-THC
- 15 cannabis under Section 169.002, Occupations Code, on input safety
- 16 and efficacy data derived from the treatment of patients for whom
- 17 medical [low-THC] cannabis is recommended [prescribed] under
- 18 Chapter 169, Occupations Code, including any severe adverse effects
- 19 due to the medical use of medical cannabis; and
- 20 (4) ensures that all application records and
- 21 information are sealed to protect the privacy of patients.
- (c) The handling of any records maintained in the registry
- 23 must comply with all relevant state and federal privacy laws,
- 24 including Chapter 181.
- 25 SECTION 1.09. Subchapter B, Chapter 487, Health and Safety
- 26 Code, is amended by adding Section 487.055 to read as follows:
- Sec. 487.055. DESIGNATION OF CAREGIVER. (a) A patient

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- 1 listed in the compassionate-use registry may designate a caregiver.
- 2 A caregiver designated under this subsection may be either an
- 3 <u>individual or an organization or other entity</u>, including a
- 4 long-term care facility, other health care organization, or public
- 5 institution.
- 6 (b) The department shall develop a form for a patient listed
- 7 in the registry to designate a caregiver under Subsection (a). The
- 8 form must require the patient to provide the full name, home
- 9 address, and date of birth of the patient's caregiver or, in the
- 10 case of a caregiver that is an entity, the entity's name and
- 11 address.
- 12 (c) A caregiver may possess medical cannabis and medical
- 13 cannabis products up to the sum of the possession limits for all
- 14 patients under the caregiver's care.
- 15 (d) The director shall adopt rules necessary to implement
- 16 this section, including rules to provide identification cards for
- 17 designated caregivers.
- SECTION 1.10. 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
- SECTION 1.11. Section 487.101, Health and Safety Code, is
- 23 amended to read as follows:
- 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) a cultivating cannabis organization that
- 6 cultivates medical cannabis for sale and distribution to other
- 7 medical cannabis organizations and may process and package medical
- 8 cannabis for individual sale so long as the cannabis is not
- 9 subjected to any chemical alteration;
- 10 (2) a 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 cannab<u>is organizations;</u>
- 14 (3) a dispensing cannabis organization that sells
- 15 medical cannabis and medical cannabis products to patients;
- 16 (4) an independent testing cannabis organization that
- 17 tests 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.
- SECTION 1.12. Section 487.102, Health and Safety Code, is
- 23 amended to read as follows:
- 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

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   possesses:
 2
                     (A)
                         the technical and technological
                                                              ability
 3
   appropriate for that class of license [to cultivate and produce
    low-THC cannabis];
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 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
   dispensing premises reasonably located to allow patients listed on
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   the compassionate-use registry access to the organization through
    existing infrastructure;
11
                         the ability to maintain accountability for
12
    the raw materials, the finished product, and any by-products used
13
    or produced in the cultivation or production of medical [low-THC]
14
15
    cannabis to prevent unlawful access to or unlawful diversion or
   possession of those materials, products, or by-products; [and]
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17
                     (D)
                        the financial ability to maintain operations
   for not less than two years from the date of application; and
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                    (E) any specific qualifications for licensure
   for each class of license the department requires by rule under this
20
   chapter that are demonstrably related to the operations authorized
21
    and duties imposed under that class of license to safely and
22
    securely provide medical cannabis for medical use to patients;
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24
                    each director, manager, or
                                                    employee of
                                                                   the
   applicant is registered under Subchapter D; and
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26
               (3) the applicant satisfies any additional criteria
   determined by the director to be necessary to safely implement this
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- 1 chapter.
- 2 SECTION 1.13. Subchapter C, Chapter 487, Health and Safety
- 3 Code, is amended by adding Section 487.1021 to read as follows:
- 4 Sec. 487.1021. ELIGIBILITY FOR LICENSE TO OPERATE AS AN
- 5 INDEPENDENT CANNABIS TESTING ORGANIZATION. In addition to the
- 6 criteria described by Section 487.102, an applicant for a license
- 7 to operate as an independent cannabis testing organization is
- 8 eligible for the license if the applicant:
- 9 (1) submits proof of accreditation by an independent
- 10 accreditation body in accordance with the International
- 11 Organization for Standardization ISO/IEC 17025 or a comparable or
- 12 <u>successor standard designated by department rule;</u>
- 13 (2) submits proof that it does not share ownership
- 14 interest or joint management with any medical cannabis organization
- 15 whose product the applicant may test except for less than 10 percent
- 16 ownership in a publicly traded company; and
- 17 (3) satisfies any additional criteria determined by
- 18 the department to be necessary for the operation of a cannabis
- 19 testing facility.
- SECTION 1.14. Section 487.103(a), Health and Safety Code,
- 21 is amended to read as follows:
- (a) A person may apply for an initial or renewal license to
- 23 operate as a <u>medical cannabis</u> [dispensing] organization by
- 24 submitting a form prescribed by the department along with the
- 25 application fee in an amount set by the director for that class of
- 26 license.
- 27 SECTION 1.15. Section 487.104(a), Health and Safety Code,

- 1 is amended to read as follows:
- 2 (a) The department shall issue or renew a license to operate
- 3 as a medical cannabis [dispensing] organization [only] if:
- 4 (1) the department determines the applicant meets the
- 5 eligibility requirements described by Section 487.102 or 487.1021,
- 6 as applicable; and
- 7 (2) issuance or renewal of the license would assist
- 8 [is necessary to ensure] reasonable statewide access to, and the
- 9 availability of, medical [low-THC] cannabis for patients
- 10 registered in the compassionate-use registry and for whom medical
- 11 [low-THC] cannabis is recommended [prescribed] under Chapter 169,
- 12 Occupations Code.
- SECTION 1.16. Sections 487.105(a) and (b), Health and
- 14 Safety Code, are amended to read as follows:
- 15 (a) An applicant for the issuance or renewal of a license
- 16 under this subchapter [to operate as a dispensing organization]
- 17 shall provide the department with the applicant's name and the name
- 18 of each of the applicant's directors, managers, and employees.
- 19 (b) Before a medical cannabis [dispensing] organization
- 20 <u>license holder</u> [licensee] hires a manager or employee for the
- 21 organization, the <u>license holder</u> [licensee] must provide the
- 22 department with the name of the prospective manager or employee.
- 23 The <u>license holder</u> [licensee] may not transfer the license to
- 24 another person before that prospective applicant and the
- 25 applicant's directors, managers, and employees pass a criminal
- 26 history background check and any other requirements established by
- 27 the director by rule, and are registered as required by Subchapter

- 1 D.
- 2 SECTION 1.17. Section 487.106, Health and Safety Code, is
- 3 amended to read as follows:
- 4 Sec. 487.106. DUTY TO MAINTAIN ELIGIBILITY. (a) Each
- 5 license holder under this subchapter [A dispensing organization]
- 6 must maintain compliance at all times with the eligibility
- 7 requirements described by Section 487.102 or 487.1021, as
- 8 applicable.
- 9 (b) On request of the department, a license holder must
- 10 provide to the department a reasonably sized sample suitable for
- 11 testing of medical cannabis.
- 12 SECTION 1.18. Section 487.107, Health and Safety Code, is
- 13 amended to read as follows:
- 14 Sec. 487.107. DUTIES RELATING TO DISPENSING MEDICAL
- 15 <u>CANNABIS</u> [PRESCRIPTION]. (a) Before dispensing <u>medical</u> [low-THC]
- 16 cannabis to a person for whom the $\underline{\text{medical}}$ [$\underline{\text{low-THC}}$] cannabis is
- 17 recommended [prescribed] under Chapter 169, Occupations Code, the
- 18 medical cannabis [dispensing] organization must verify that the
- 19 recommendation [prescription] presented:
- 20 (1) is for a person listed as a patient in the
- 21 compassionate-use registry;
- 22 (2) matches the entry in the compassionate-use
- 23 registry with respect to the total amount of medical [low-THC]
- 24 cannabis required to fill the recommendation [prescription]; and
- 25 (3) has not previously been filled by a <u>medical</u>
- 26 cannabis [dispensing] organization as indicated by an entry in the
- 27 compassionate-use registry.

- (b) After dispensing medical [low-THC] 1 cannabis to a patient for whom the medical [low-THC] cannabis is recommended 2 [prescribed] under Chapter 169, Occupations Code, the medical 3 [dispensing] organization shall record 4 cannabis compassionate-use registry the form and quantity of 5 medical
- 6 [low-THC] cannabis dispensed and the date and time of dispensation.
- 7 SECTION 1.19. Sections 487.108(a), (b), and (c), Health and 8 Safety Code, are amended to read as follows:
- 9 (a) The department may at any time suspend or revoke a license issued under this <u>subchapter</u> [chapter] if the department determines that the <u>license holder</u> [licensee] has not maintained the eligibility requirements described by Section 487.102 or 487.1021, as applicable, or has failed to comply with a duty imposed under this chapter.
- 15 (b) The director shall give written notice to the <u>license</u>
 16 <u>holder</u> [<u>dispensing organization</u>] of a license suspension or
 17 revocation under this section and the grounds for the suspension or
 18 revocation. The notice must be sent by certified mail, return
 19 receipt requested.
- (c) After suspending or revoking a license issued under this 20 subchapter [chapter], the director may seize or place under seal 21 all medical [low-THC] cannabis and drug paraphernalia owned or 22 possessed by the <u>license holder</u> [dispensing organization]. If the 23 24 director orders the revocation of the license, a disposition may not be made of the seized or sealed medical [low-THC] cannabis or 25 drug paraphernalia until the time for administrative appeal of the 26 order has elapsed or until all appeals have been concluded. When a 27

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- 1 revocation order becomes final, all $\underline{\text{medical}}$ [$\underline{\text{low-THC}}$] cannabis and
- 2 drug paraphernalia may be forfeited to the state as provided under
- 3 Subchapter E, Chapter 481.
- 4 SECTION 1.20. Section 487.151(a), Health and Safety Code,
- 5 is amended to read as follows:
- 6 (a) An individual who is a director, manager, or employee of
- 7 a <u>license holder under Subchapter C</u> [<u>dispensing organization</u>] must
- 8 apply for and obtain a registration under this section.
- 9 SECTION 1.21. Section 487.201, Health and Safety Code, is
- 10 amended to read as follows:
- 11 Sec. 487.201. COUNTIES AND MUNICIPALITIES MAY NOT PROHIBIT
- 12 MEDICAL [LOW-THC] CANNABIS. A municipality, county, or other
- 13 political subdivision may not enact, adopt, or enforce a rule,
- 14 ordinance, order, resolution, or other regulation that prohibits
- 15 the cultivation, production, dispensing, researching, testing, or
- 16 possession of medical [low-THC] cannabis, as authorized by this
- 17 chapter.
- SECTION 1.22. Subchapter F, Chapter 487, Health and Safety
- 19 Code, is repealed.
- 20 ARTICLE 2. RECOMMENDATION OF MEDICAL CANNABIS BY PHYSICIAN
- 21 SECTION 2.01. The heading to Chapter 169, Occupations Code,
- 22 is amended to read as follows:
- 23 CHAPTER 169. AUTHORITY TO RECOMMEND MEDICAL [PRESCRIBE LOW-THC]
- 24 CANNABIS TO CERTAIN PATIENTS FOR COMPASSIONATE USE
- 25 SECTION 2.02. Section 169.001, Occupations Code, is amended
- 26 to read as follows:
- Sec. 169.001. DEFINITIONS. In this chapter:

1 (1)"Department" means the Department of Public Safety. 2 3 (2) [(1-a) "Incurable neurodegenerative disease" a disease designated as an incurable neurodegenerative 4 5 disease by rule of the executive commissioner of the Health and Human Services Commission, adopted in consultation with the 6 National Institutes of Health. 7 $[\frac{\text{(3)}}{\text{]}}]$ "Medical [Low-THC] cannabis" means the plant 8 Cannabis sativa L., and any part of that plant or any compound, 9 10 manufacture, salt, derivative, mixture, preparation, resin, or oil of that plant. The term does not include hemp, as defined by 11 12 Section 121.001, Agriculture Code, or a consumable hemp product, as defined by Section 443.001, Health and Safety Code [that contains 13 14 not more than one percent by weight of tetrahydrocannabinols]. 15 (3) [(4)] "Medical use" means the administration of medical cannabis to a registered patient for treatment of an 16 17 eligible medical condition or symptoms as recommended by a physician [ingestion by a means of administration other than by 18 19 smoking of a prescribed amount of low-THC cannabis by a person for whom low-THC cannabis is prescribed] under this chapter. 20 21 "Severe adverse event" means an adverse event 22 that: 23 (A) results in death; 24 (B) results in an illness requiring hospitalization; 25 26 (C) is considered life-threatening; or

27

(D) results in a persistent or significant

- 1 disability, incapacity, or medically important condition.
- 2 [(5) "Smoking" means burning or igniting a substance
- 3 and inhaling the smoke.
- 4 SECTION 2.03. Chapter 169, Occupations Code, is amended by
- 5 adding Section 169.0012 to read as follows:
- 6 Sec. 169.0012. BONA FIDE PHYSICIAN-PATIENT RELATIONSHIP.
- 7 For purposes of this chapter, a bona fide physician-patient
- 8 relationship exists when there is a treatment or counseling
- 9 relationship between a physician and patient in which all of the
- 10 following are present:
- 11 (1) the physician has reviewed the patient's relevant
- 12 medical records and completed a full assessment of the patient's
- 13 medical history and current medical condition, including a relevant
- 14 medical evaluation of the patient;
- 15 (2) the physician has created and continues to
- 16 maintain records of the patient's condition in accordance with
- 17 medically accepted standards;
- 18 (3) the physician has a reasonable expectation that
- 19 the physician will provide follow-up care to the patient to monitor
- 20 the efficacy of the use of medical cannabis as a treatment of the
- 21 patient's medical condition; and
- 22 (4) if the patient has given permission, the physician
- 23 has notified the patient's primary care physician of the patient's
- 24 medical condition and certification for the medical use of medical
- 25 cannabis to treat that condition.
- 26 SECTION 2.04. Section 169.002, Occupations Code, is amended
- 27 to read as follows:

- Sec. 169.002. PHYSICIAN QUALIFIED TO RECOMMEND MEDICAL [PRESCRIBE LOW-THC] CANNABIS [TO PATIENTS WITH CERTAIN MEDICAL CONDITIONS]. (a) Only a physician qualified with respect to a patient's particular medical condition [as provided by this section] may recommend medical [prescribe low-THC] cannabis in accordance with this chapter to treat the applicable medical
- 8 (b) A physician is qualified to <u>recommend medical</u>
 9 [prescribe low-THC] cannabis with respect to a patient's particular
 10 medical condition if the physician:
- 11 (1) is licensed under this subtitle;

condition.

7

- 12 (2) has a bona fide physician-patient relationship with the patient [is board certified in a medical specialty 13 relevant to the treatment of the patient's particular medical 14 condition by a specialty board approved by the American Board of 15 Medical Specialties or the Bureau of Osteopathic Specialists]; and 16 17 (3) dedicates a significant portion of clinical practice to the evaluation and treatment of the patient's 18 19 particular medical condition.
- [(c) A physician is qualified to prescribe low-THC cannabis
 for the treatment of a patient with a medical condition approved by
 rule of the executive commissioner of the Health and Human Services
 Commission for treatment in an approved research program conducted
 under Subchapter F, Chapter 487, Health and Safety Code, if the
 physician is:
- 26 [(1) licensed under this subtitle; and
- 27 [(2) certified by a compassionate-use institutional

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review board created under Section 487.253, Health and Safety Code,
 1
   that oversees patient treatment undertaken as part of that approved
 2
 3
   research program.
 4
          SECTION 2.05.
                         Section 169.003, Occupations Code, is amended
 5
    to read as follows:
          Sec. 169.003.
                         RECOMMENDATION
                                          [PRESCRIPTION]
                                                           OF
                                                                MEDICAL
 6
    [LOW-THC] CANNABIS. A physician described by Section 169.002 may
 7
    recommend medical [prescribe low-THC] cannabis to a patient if:
 8
 9
                     the patient is a permanent resident of the state;
                     the physician complies with the registration
10
                (2)
    requirements of Section 169.004; and
11
                (3) the physician certifies to the department that:
12
                          there is a bona fide physician-patient
13
                     (A)
14
   relationship;
15
                     (B) the patient has a diagnosis or symptoms such
    that, in the physician's professional judgment and review of past
16
    treatments, the patient is likely to receive therapeutic or
17
    palliative benefit from medical cannabis [is diagnosed with:
18
                          [<del>(i) epilepsy;</del>
19
20
                          [(ii) a seizure disorder;
21
                          [(iii) multiple sclerosis;
                          [(iv) spasticity;
2.2
                          [(v) amyotrophic lateral sclerosis;
23
                          (vi) autism;
24
                          [<del>(vii) cancer;</del>
25
26
                          [(viii) an incurable neurodegenerative
```

27

disease;

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1
                           [(ix) post-traumatic stress disorder; or
 2
                           [(x) a medical condition that is approved
   for a research program under Subchapter F, Chapter 487, Health and
 3
   Safety Code, and for which the patient is receiving treatment under
 4
    that program]; and
 5
 6
                     (C) [(B)] the physician determines the risk of
 7
    the medical use of medical [<del>low-THC</del>] cannabis by the patient is
8
    reasonable in light of the potential benefit for the patient.
 9
          SECTION 2.06. The heading to Section 169.004, Occupations
    Code, is amended to read as follows:
10
          Sec. 169.004. MEDICAL [<del>LOW-THC</del>] CANNABIS
11
                                                         RECOMMENDATION
    [PRESCRIBER] REGISTRATION.
12
          SECTION 2.07. Section 169.004(a), Occupations Code,
13
14
    amended to read as follows:
15
          (a) Before a physician [qualified to prescribe low-THC
    cannabis under Section 169.002] may recommend [prescribe] or renew
16
17
    a recommendation [prescription] for medical [low-THC] cannabis for
    a patient under this chapter, the physician must register [as the
18
19
    prescriber for that patient] in the compassionate-use registry
    maintained by the department under Section 487.054, Health and
20
    Safety Code. The physician's registration must indicate:
21
                (1) the physician's name; and
22
23
                (2)
                     for each patient:
24
                     (A) the patient's name and date of birth;
25
                     (B) the nature of the patient's diagnosis or
26
    symptom being treated by medical cannabis;
27
                     (C) [<del>(3)</del>] the dosage recommended for [<del>prescribed</del>
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- 1 to the patient;
- 2 (D) $[\frac{(4)}{1}]$ the means of administration ordered
- 3 for the patient;
- 4 (E) [and
- 5 $\left[\frac{(5)}{}\right]$ the total amount of medical $\left[\frac{1 \text{ow-THC}}{}\right]$ cannabis
- 6 required to fill the patient's recommendation; and
- 7 <u>(F) any severe adverse events the patient may</u>
- 8 experience due to the medical use of medical cannabis
- 9 [prescription].
- SECTION 2.08. Section 169.005, Occupations Code, is amended
- 11 to read as follows:
- 12 Sec. 169.005. PATIENT TREATMENT PLAN. A physician
- 13 described by Section 169.002 who recommends medical [prescribes
- 14 low-THC] cannabis for a patient's medical use under this chapter
- 15 must maintain a patient treatment plan that indicates:
- 16 (1) the dosage, means of administration, and planned
- 17 duration of treatment for the medical [low-THC] cannabis;
- 18 (2) a plan for monitoring the patient's symptoms; and
- 19 (3) a plan for monitoring indicators of tolerance or
- 20 reaction to medical [low-THC] cannabis.
- 21 SECTION 2.09. Section 169.0011, Occupations Code, is
- 22 repealed.
- 23 ARTICLE 3. CONFORMING AMENDMENTS
- SECTION 3.01. Section 161.001(c), Family Code, is amended
- 25 to read as follows:
- 26 (c) Evidence of one or more of the following does not
- 27 constitute clear and convincing evidence sufficient for a court to

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- 1 make a finding under Subsection (b) and order termination of the
- 2 parent-child relationship:
- 3 (1) the parent homeschooled the child;
- 4 (2) the parent is economically disadvantaged;
- 5 (3) the parent has been charged with a nonviolent
- 6 misdemeanor offense other than:
- 7 (A) an offense under Title 5, Penal Code;
- 8 (B) an offense under Title 6, Penal Code; or
- 9 (C) an offense that involves family violence, as
- 10 defined by Section 71.004 of this code;
- 11 (4) the parent provided or administered medical
- 12 [$\frac{1ow-THC}{}$] cannabis to a child for whom the medical [$\frac{1ow-THC}{}$]
- 13 cannabis was recommended [prescribed] under Chapter 169,
- 14 Occupations Code;
- 15 (5) the parent declined immunization for the child for
- 16 reasons of conscience, including a religious belief;
- 17 (6) the parent sought an opinion from more than one
- 18 medical provider relating to the child's medical care, transferred
- 19 the child's medical care to a new medical provider, or transferred
- 20 the child to another health care facility; or
- 21 (7) the parent allowed the child to engage in
- 22 independent activities that are appropriate and typical for the
- 23 child's level of maturity, physical condition, developmental
- 24 abilities, or culture.
- SECTION 3.02. Section 262.116(a), Family Code, is amended
- 26 to read as follows:
- 27 (a) The Department of Family and Protective Services may not

- 1 take possession of a child under this subchapter based on evidence
- 2 that the parent:
- 3 (1) homeschooled the child;
- 4 (2) is economically disadvantaged;
- 5 (3) has been charged with a nonviolent misdemeanor
- 6 offense other than:
- 7 (A) an offense under Title 5, Penal Code;
- 8 (B) an offense under Title 6, Penal Code; or
- 9 (C) an offense that involves family violence, as
- 10 defined by Section 71.004 of this code;
- 11 (4) provided or administered medical [low-THC]
- 12 cannabis to a child for whom the medical [low-THC] cannabis was
- 13 recommended [prescribed] under Chapter 169, Occupations Code;
- 14 (5) declined immunization for the child for reasons of
- 15 conscience, including a religious belief;
- 16 (6) sought an opinion from more than one medical
- 17 provider relating to the child's medical care, transferred the
- 18 child's medical care to a new medical provider, or transferred the
- 19 child to another health care facility;
- 20 (7) allowed the child to engage in independent
- 21 activities that are appropriate and typical for the child's level
- 22 of maturity, physical condition, developmental abilities, or
- 23 culture; or
- 24 (8) tested positive for marihuana, unless the
- 25 department has evidence that the parent's use of marihuana has
- 26 caused significant impairment to the child's physical or mental
- 27 health or emotional development.

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- 1 SECTION 3.03. Section 411.0891(a), Government Code, is
- 2 amended to read as follows:
- 3 (a) The department may obtain as provided by Subsection
- 4 (a-1) criminal history record information that relates to a person
- 5 who:
- 6 (1) is an applicant for or holds a registration issued
- 7 by the director under Subchapter C, Chapter 481, Health and Safety
- 8 Code, that authorizes the person to manufacture, distribute,
- 9 analyze, or conduct research with a controlled substance;
- 10 (2) is an applicant for or holds a registration issued
- 11 by the department under Chapter 487, Health and Safety Code, to be a
- 12 director, manager, or employee of a medical cannabis [dispensing]
- 13 organization, as defined by Section 487.001, Health and Safety
- 14 Code;
- 15 (3) is an applicant for or holds an authorization
- 16 issued by the department under Section 521.2476, Transportation
- 17 Code, to do business in this state as a vendor of ignition interlock
- 18 devices;
- 19 (4) is an applicant for or holds certification by the
- 20 department as an inspection station or an inspector under
- 21 Subchapter G, Chapter 548, Transportation Code, holds an inspection
- 22 station or inspector certificate issued under that subchapter, or
- 23 is the owner of an inspection station operating under that chapter;
- 24 (5) is an applicant for or holds a certificate of
- 25 registration issued by the department under Chapter 1956,
- 26 Occupations Code, to act as a metal recycling entity;
- 27 (6) is an applicant for or holds a license to carry a

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- 1 handgun issued by the department under Subchapter H, or is an
- 2 applicant for or holds a certification as an instructor issued by
- 3 the department under this chapter;
- 4 (7) is an applicant for or holds a Capitol access pass
- 5 issued by the department under Section 411.0625; or
- 6 (8) is an applicant for or holds a license or
- 7 commission issued by the department under Chapter 1702, Occupations
- 8 Code.
- 9 SECTION 3.04. Section 443.202(a), Health and Safety Code,
- 10 is amended to read as follows:
- 11 (a) This section does not apply to $\underline{\text{medical}}$ [$\underline{\text{low-THC}}$]
- 12 cannabis regulated under Chapter 487.
- SECTION 3.05. Section 443.2025(a), Health and Safety Code,
- 14 is amended to read as follows:
- 15 (a) This section does not apply to $\underline{\text{medical}}$ [$\underline{\text{low-THC}}$]
- 16 cannabis regulated under Chapter 487.
- SECTION 3.06. Section 481.062(a), Health and Safety Code,
- 18 is amended to read as follows:
- 19 (a) The following persons may possess a controlled
- 20 substance under this chapter without registering with the Federal
- 21 Drug Enforcement Administration:
- 22 (1) an agent or employee of a manufacturer,
- 23 distributor, analyzer, or dispenser of the controlled substance who
- 24 is registered with the Federal Drug Enforcement Administration and
- 25 acting in the usual course of business or employment;
- 26 (2) a common or contract carrier, a warehouseman, or
- 27 an employee of a carrier or warehouseman whose possession of the

- 1 controlled substance is in the usual course of business or
- 2 employment;
- 3 (3) an ultimate user or a person in possession of the
- 4 controlled substance under a lawful order of a practitioner or in
- 5 lawful possession of the controlled substance if it is listed in
- 6 Schedule V;
- 7 (4) an officer or employee of this state, another
- 8 state, a political subdivision of this state or another state, or
- 9 the United States who is lawfully engaged in the enforcement of a
- 10 law relating to a controlled substance or drug or to a customs law
- 11 and authorized to possess the controlled substance in the discharge
- 12 of the person's official duties;
- 13 (5) if the substance is tetrahydrocannabinol or one of
- 14 its derivatives:
- 15 (A) a Department of State Health Services
- 16 official, a medical school researcher, or a research program
- 17 participant possessing the substance as authorized under
- 18 Subchapter G; or
- 19 (B) a practitioner or an ultimate user possessing
- 20 the substance as a participant in a federally approved therapeutic
- 21 research program that the commissioner has reviewed and found, in
- 22 writing, to contain a medically responsible research protocol; or
- 23 (6) a <u>medical cannabis</u> [<u>dispensing</u>] organization
- 24 licensed under <u>Subchapter C, Chapter 487,</u> that possesses <u>medical</u>
- 25 [low-THC] cannabis.
- SECTION 3.07. Sections 481.111(e) and (f), Health and
- 27 Safety Code, are amended to read as follows:

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- 1 (e) Sections 481.120, 481.121, 481.122, and 481.125 do not
- 2 apply to a person who engages in the acquisition, possession,
- 3 production, cultivation, delivery, or disposal of a raw material
- 4 used in or by-product created by the production or cultivation of
- 5 medical [low-THC] cannabis if the person:
- 6 (1) for an offense involving possession only of
- 7 marihuana or drug paraphernalia:
- 8 (A) (A) is a patient for whom medical [low-THC]
- 9 cannabis is recommended [prescribed] under Chapter 169,
- 10 Occupations Code, or the patient's parent, legal guardian, or
- 11 caregiver; $[\tau]$ and
- 12 (B) [the person] possesses medical [low-THC]
- 13 cannabis obtained under a valid recommendation [prescription] from
- 14 a medical cannabis [dispensing] organization; or
- 15 (2) is a director, manager, or employee of a <u>medical</u>
- 16 cannabis [dispensing] organization and the person, solely in
- 17 performing the person's regular duties at the organization,
- 18 acquires, possesses, produces, cultivates, dispenses, or disposes
- 19 of:
- 20 (A) in reasonable quantities, any medical
- 21 [low-THC] cannabis or raw materials used in or by-products created
- 22 by the production or cultivation of medical [low-THC] cannabis; or
- 23 (B) any drug paraphernalia used in the
- 24 acquisition, possession, production, cultivation, delivery, or
- 25 disposal of medical [low-THC] cannabis.
- 26 (f) For purposes of Subsection (e):
- 27 (1) ["Dispensing organization" has the meaning

1 assigned by Section 487.001.

- 2 [\(\frac{(2)}{2}\)] "Medical [\(\frac{Low-THC}{2}\)] cannabis" has the meaning
- 3 assigned by Section 169.001, Occupations Code.
- 4 (2) "Medical cannabis organization" has the meaning
- 5 assigned by Section 487.001.
- 6 SECTION 3.08. Section 490.001(3), Health and Safety Code,
- 7 is amended to read as follows:
- 8 (3) "Investigational drug, biological product, or
- 9 device" means a drug, biological product, or device that has
- 10 successfully completed phase one of a clinical trial but the United
- 11 States Food and Drug Administration or its international equivalent
- 12 has not yet approved for general use and that remains under
- 13 investigation in the clinical trial. The term does not include
- 14 medical [low-THC] cannabis, as defined by Section 169.001,
- 15 Occupations Code, or a product containing marihuana, as defined by
- 16 Section 481.002, regardless of whether the cannabis or product
- 17 successfully completed phase one of a clinical trial.
- SECTION 3.09. Section 551.004(a), Occupations Code, is
- 19 amended to read as follows:
- 20 (a) This subtitle does not apply to:
- 21 (1) a practitioner licensed by the appropriate state
- 22 board who supplies a patient of the practitioner with a drug in a
- 23 manner authorized by state or federal law and who does not operate a
- 24 pharmacy for the retailing of prescription drugs;
- 25 (2) a member of the faculty of a college of pharmacy
- 26 recognized by the board who is a pharmacist and who performs the
- 27 pharmacist's services only for the benefit of the college;

- 1 (3) a person who procures prescription drugs for
- 2 lawful research, teaching, or testing and not for resale;
- 3 (4) a home and community support services agency that
- 4 possesses a dangerous drug as authorized by Section 142.0061,
- 5 142.0062, or 142.0063, Health and Safety Code; or
- 6 (5) a <u>medical cannabis</u> [<u>dispensing</u>] organization, as
- 7 defined by Section 487.001, Health and Safety Code, that
- 8 cultivates, processes, tests, and dispenses medical [tests]
- 9 cannabis, as authorized by a license issued under Subchapter C,
- 10 Chapter 487, Health and Safety Code, to a patient listed in the
- 11 compassionate-use registry established under that chapter.
- 12 ARTICLE 4. TRANSITIONS AND EFFECTIVE DATE
- SECTION 4.01. Not later than December 31, 2025, the public
- 14 safety director of the Department of Public Safety shall adopt
- 15 rules as required to implement, administer, and enforce this Act.
- 16 SECTION 4.02. (a) A license to operate as a dispensing
- 17 organization issued under Chapter 487, Health and Safety Code,
- 18 before the effective date of this Act continues to be valid after
- 19 the effective date of this Act until that license expires.
- 20 (b) The registration of a director, manager, or employee of
- 21 a dispensing organization under Subchapter D, Chapter 487, Health
- 22 and Safety Code, continues to be valid after the effective date of
- 23 this Act until that registration expires.
- SECTION 4.03. (a) Not later than April 1, 2026, the
- 25 Department of Public Safety shall license cannabis cultivation
- 26 organizations in accordance with Subchapter C, Chapter 487, Health
- 27 and Safety Code, as amended by this Act, provided that the

- 1 applicants for a license have met all requirements for approval
- 2 under that subchapter.
- 3 (b) Not later than June 1, 2026, the Department of Public
- 4 Safety shall license other classes of medical cannabis
- 5 organizations in accordance with Subchapter C, Chapter 487, Health
- 6 and Safety Code, as amended by this Act, provided that the
- 7 applicants for a license have met all requirements for approval
- 8 under that subchapter.
- 9 SECTION 4.04. This Act takes effect September 1, 2025.