

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 29, 2025

TO: Honorable Dustin Burrows, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB46 by King (Relating to the medical use of low-THC cannabis under and the administration of the Texas Compassionate-Use Program; requiring registration.), **As Passed 2nd House**

Estimated Two-year Net Impact to General Revenue Related Funds for HB46, As Passed 2nd House: a positive impact of \$4,706,154 through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	Probable Net Positive/(Negative) Impact to <i>General Revenue Related Funds</i>
2026	\$4,706,154
2027	\$0
2028	\$3,109,869
2029	\$0
2030	\$3,109,869

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain from <i>General Revenue Fund</i> 1
2026	\$4,706,154
2027	\$0
2028	\$3,109,869
2029	\$0
2030	\$3,109,869

Fiscal Analysis

The bill would amend certain rules related to the Texas Compassionate Use Program including the use of certain satellite locations, operations, packaging, licensing, application, administration, and prescribing of low-THC cannabis. Under the provisions of the bill, the Department of Public Safety (DPS) would also be able to issue twelve licenses to dispensing organizations, including those licenses already issued.

Methodology

According to DPS, any costs associated with the bill could be absorbed using existing resources. However, DPS anticipates an increase in revenue related to additional dispensing organizations. In fiscal year 2026, DPS anticipates collecting \$66,204 in business application fees, \$4,396,680 in business original license fees, and \$243,270 in registrant original and renewal license fees. DPS assumes collections of \$2,866,599 in business renewal license fees and \$243,270 in registrant original and renewal license fees in fiscal years 2028 and 2030.

According to Department of State Health Services, any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 405 Department of Public Safety, 503 Texas Medical Board, 515 Board of Pharmacy, 529 Health and Human Services Commission, 537 State Health Services, Department of

LBB Staff: JMc, WP, CSh, KVEL, NPe