

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 18, 2025

**TO:** Honorable Bryan Hughes, Chair, Senate Committee on State Affairs

**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 Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB46, As Engrossed: a positive impact of \$7,493,590 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<br><i>General Revenue Related Funds</i> |
|--------------------|------------------------------------------------------------------------------------|
| 2026               | \$7,493,590                                                                        |
| 2027               | \$0                                                                                |
| 2028               | \$5,183,115                                                                        |
| 2029               | \$0                                                                                |
| 2030               | \$5,183,115                                                                        |

All Funds, Five-Year Impact:

| <i>Fiscal Year</i> | Probable (Cost) from<br><i>General Revenue Fund</i><br>1 | Probable Revenue Gain from<br><i>General Revenue Fund</i><br>1 |
|--------------------|----------------------------------------------------------|----------------------------------------------------------------|
| 2026               | (\$350,000)                                              | \$7,843,590                                                    |
| 2027               | \$0                                                      | \$0                                                            |
| 2028               | \$0                                                      | \$5,183,115                                                    |
| 2029               | \$0                                                      | \$0                                                            |
| 2030               | \$0                                                      | \$5,183,115                                                    |

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 15 licenses to dispensing organizations. The bill would also permit the Department of State Health Services (DSHS) to designate certain medical conditions to fall under the Compassionate-Use Program.

The bill would also require a physician who prescribes low-THC cannabis under the Compassionate-Use Program to submit prescribing information to the Board of Pharmacy in the same manner as for an issued

dispensation.

## **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 \$110,340 in business application fees, \$7,327,800 in business original license fees, and \$405,450 in registrant original and renewal license fees. DPS assumes collections of \$4,777,665 in business renewal license fees and \$405,450 in registrant original and renewal license fees between fiscal years 2028 and 2030.

According to analysis by the Board of Pharmacy, reporting prescriptions, rather than dispensations, is not within the current functionality of the agency's Prescription Monitoring Program (PMP) IT system. The agency's current PMP vendor does not have a prescribing solution to add to the PMP, and is uncertain how to develop one, so the agency reports a need to contract with another vendor to attempt to add this functionality to the PMP system. The cost of modifying the PMP system in this way is unknown.

The Board of Pharmacy relies on two additional IT platforms to monitor and validate data on dispensations of controlled substances by pharmacies in Texas or to Texas residents from pharmacies located in other states. These platforms rely on data about dispenser information from the PMP system. As the bill would require reporting by prescribers, as opposed to dispensers, the reports would not include information about dispensers. Based on analysis by the Board of Pharmacy, contracting with the agency's PMP vendor to modify these platforms to eliminate data reconciliation issues which could impact compliance with regulatory requirements would result in one-time costs of \$350,000 in General Revenue in fiscal year 2026.

According to DSHS, 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

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