

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 26, 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.), **Committee Report 2nd House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for HB46, Committee Report 2nd House, Substituted: a positive impact of \$3,137,436 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	\$3,137,436
2027	\$0
2028	\$2,073,246
2029	\$0
2030	\$2,073,246

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	Probable Revenue Gain from <i>General Revenue Fund</i> 1
2026	\$3,137,436
2027	\$0
2028	\$2,073,246
2029	\$0
2030	\$2,073,246

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

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 \$44,136 in business application fees, \$2,931,120 in business original license fees, and \$162,180 in registrant original and renewal license fees. DPS assumes collections of \$1,911,066 in business renewal license fees and \$162,180 in registrant original and renewal license fees in fiscal years 2028 and 2030.

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