

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: King, Moody, Oliverson, et al.

H.B. No. 46

A BILL TO BE ENTITLED

1 AN ACT

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

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

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

8 (a) The department shall:

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

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

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

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

24 (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

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

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

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

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

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

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

18 (b) The application must include:

19 (1) the name and address of the applicant;

20 (2) ~~the name and address of each of the applicant's~~  
21 directors, owners, managers, members, and employees;

22 (3) the address of any satellite location that will be  
23 used by the applicant for secure storage of low-THC cannabis under  
24 Section 487.1035; ~~and~~

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

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

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

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

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

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

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

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

24 (1) operate as a patient pickup location; and

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

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

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

2 (b) Except as provided by Subsection (b-1), if [~~If~~] the  
3 department denies the issuance or renewal of a license under  
4 Subsection (a), the applicant is entitled to a hearing. Chapter  
5 2001, Government Code, applies to a proceeding under this section.

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

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

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

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

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

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

27 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

1 Subchapter D.

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

5 SECTION 10. Subchapter C, Chapter 487, Health and Safety  
6 Code, is amended by adding Section 487.1071 to read as follows:

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

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

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

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

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

20 SECTION 11. Section 487.151(a), Health and Safety Code, is  
21 amended to read as follows:

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

25 SECTION 12. Section 487.201, Health and Safety Code, is  
26 amended to read as follows:

27 Sec. 487.201. COUNTIES AND MUNICIPALITIES MAY NOT PROHIBIT

1 LOW-THC CANNABIS. A municipality, county, or other political  
2 subdivision may not enact, adopt, or enforce a rule, ordinance,  
3 order, resolution, or other regulation that prohibits the  
4 cultivation, production, storage, dispensing, or possession of  
5 low-THC cannabis, as authorized by this chapter.

6 SECTION 13. Section 169.001, Occupations Code, is amended  
7 by adding Subdivisions (2) and (6) and amending Subdivisions (3),  
8 (4), and (5) to read as follows:

9 (2) "Executive commissioner" means the executive  
10 commissioner of the Health and Human Services Commission.

11 (3) "Low-THC cannabis" means the plant *Cannabis sativa*  
12 L., and any part of that plant or any compound, manufacture, salt,  
13 derivative, mixture, preparation, resin, or oil of that plant that  
14 contains not more than one percent by weight of  
15 tetrahydrocannabinols in each dosage unit.

16 (4) "Medical use" means the ingestion, absorption,  
17 inhalation, or insertion by a means of administration other than by  
18 smoking of a prescribed amount of low-THC cannabis by a person for  
19 whom low-THC cannabis is prescribed under this chapter.

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

24 (6) "Veteran" means a person who has served in:

25 (A) the army, navy, air force, coast guard, or  
26 marine corps of the United States;

27 (B) the state military forces as defined by

1 Section 431.001, Government Code; or  
2 (C) an auxiliary service of one of those branches  
3 of the armed forces.

4 SECTION 14. Section 169.003, Occupations Code, is amended  
5 to read as follows:

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

- 9 (1) the patient is a permanent resident of the state;  
10 (2) the physician complies with the registration  
11 requirements of Section 169.004; and  
12 (3) the physician certifies to the department that:

- 13 (A) the patient:  
14 (i) is diagnosed with:  
15 (a) [~~(i)~~] epilepsy;  
16 (b) [~~(ii)~~] a seizure disorder;  
17 (c) [~~(iii)~~] multiple sclerosis;  
18 (d) [~~(iv)~~] spasticity;  
19 (e) [~~(v)~~] amyotrophic lateral  
20 sclerosis;  
21 (f) [~~(vi)~~] autism;  
22 (g) [~~(vii)~~] cancer;  
23 (h) [~~(viii)~~] an incurable  
24 neurodegenerative disease;  
25 (i) [~~(ix)~~] post-traumatic stress  
26 disorder; [~~or~~]  
27 (j) a condition that causes chronic

1 pain, for which a physician would otherwise prescribe an opioid;

2 (k) glaucoma;

3 (l) traumatic brain injury;

4 (m) spinal neuropathy;

5 (n) Crohn's disease or other  
6 inflammatory bowel disease;

7 (o) degenerative disc disease;

8 (p) a terminal illness or a condition  
9 for which a patient is receiving hospice or palliative care;

10 (q) [~~x~~] a medical condition that is  
11 approved for a research program under Subchapter F, Chapter 487,  
12 Health and Safety Code, and for which the patient is receiving  
13 treatment under that program; or

14 (r) a medical condition designated by  
15 the Department of State Health Services under Subsection (c); or

16 (ii) is an honorably discharged veteran who  
17 would benefit from medical use to address a medical condition; and

18 (B) the physician determines the risk of the  
19 medical use of low-THC cannabis by the patient is reasonable in  
20 light of the potential benefit for the patient.

21 (b) Each prescription issued by a physician to a patient for  
22 low-THC cannabis:

23 (1) may only provide for a 90-day supply of low-THC  
24 cannabis based on the dosage prescribed to the patient; and

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

27 (c) The Department of State Health Services may designate

1 medical conditions for which a physician may prescribe low-THC  
2 cannabis under this section. The executive commissioner shall  
3 adopt rules for the approval of medical conditions under this  
4 section.

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

15 SECTION 15. Chapter 169, Occupations Code, is amended by  
16 adding Section 169.0031 to read as follows:

17 Sec. 169.0031. PRESCRIPTION MONITORING. (a) For each  
18 prescription issued for low-THC cannabis under this chapter, the  
19 physician must submit prescribing information to the Texas State  
20 Board of Pharmacy to be included in the official prescription  
21 information under Section 481.076, Health and Safety Code, in the  
22 same manner as for a prescription issued under Section 481.074 of  
23 that code.

24 (b) Information submitted to the Texas State Board of  
25 Pharmacy under this section may be accessed only as provided under  
26 Section 481.076, Health and Safety Code.

27 (c) The Texas State Board of Pharmacy may adopt rules to

1 implement this section.

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

4 Sec. 169.006. ADMINISTRATION OF LOW-THC CANNABIS BY  
5 PULMONARY INHALATION. (a) A physician may prescribe pulmonary  
6 inhalation of an aerosol or vapor as a means of administration of  
7 low-THC cannabis if the physician determines that based on the  
8 patient's condition there is a medical necessity for that means of  
9 administration.

10 (b) Notwithstanding any other provision of this chapter,  
11 low-THC cannabis prescribed under Subsection (a) for pulmonary  
12 inhalation may exceed one percent by weight of  
13 tetrahydrocannabinols in each dosage unit of the substance to be  
14 aerosolized or vaporized. The prescription under Subsection (a)  
15 must specify the amount of tetrahydrocannabinols in each dosage  
16 unit to be administered by pulmonary inhalation that is medically  
17 necessary based on the patient's condition.

18 (c) The executive commissioner shall adopt rules:

19 (1) related to medical devices for pulmonary  
20 inhalation of low-THC cannabis; and

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

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

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

27 (2) the executive commissioner of the Health and Human

1 Services Commission shall adopt the rules necessary to implement  
2 Section 169.003, Occupations Code, as amended by this Act, and  
3 Section 169.006, Occupations Code, as added by this Act.

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

8 (1) not later than December 1, 2025, license at least  
9 nine new dispensing organizations from applications submitted  
10 before July 1, 2025; and

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

15 SECTION 19. (a) Not later than December 1, 2025, the Texas  
16 State Board of Pharmacy shall adopt rules to implement Section  
17 169.0031, Occupations Code, as added by this Act.

18 (b) Section 169.0031, Occupations Code, as added by this  
19 Act, applies only to a prescription issued on or after January 1,  
20 2026.

21 SECTION 20. This Act takes effect September 1, 2025.

**ADOPTED**

MAY 27 2025

*Lately Law*  
Secretary of the Senate

*Chad Perry*

By: \_\_\_\_\_

H.B. No. 46

Substitute the following for H.B. No. 46:

By: *Chad Perry*

C.S. H.B. No. 46

A BILL TO BE ENTITLED

1

AN ACT

2

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

5

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

6

SECTION 1. Section 487.001, Health and Safety Code, is  
7 amended by adding Subdivision (5) to read as follows:

8

(5) "Owner" means any individual who, directly or  
9 indirectly, owns, actually or beneficially, any interest of a  
10 dispensing organization.

11

SECTION 2. Section 487.053(a), Health and Safety Code, is  
12 amended to read as follows:

13

(a) The department shall:

14

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

17

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

19

SECTION 3. Sections 487.101 and 487.102, Health and Safety  
20 Code, are amended to read as follows:

21

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

24

(b) A dispensing organization licensed under this chapter

1 is not required to apply for an additional license for the use of a  
2 satellite location for secure storage of low-THC cannabis if:

3 (1) the address of the satellite location was included  
4 in the application; or

5 (2) the dispensing organization obtains approval from  
6 the department under Section 487.1035.

7 Sec. 487.102. ELIGIBILITY FOR LICENSE. An applicant for a  
8 license to operate as a dispensing organization is eligible for the  
9 license if:

10 (1) as determined by the department, the applicant  
11 possesses:

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

14 (B) the ability to secure:

15 (i) the resources and personnel necessary  
16 to operate as a dispensing organization; and

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

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

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

27 (2) each director, owner, manager, or employee of the

1 applicant is registered under Subchapter D; and

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

5 SECTION 4. Section 487.103(b), Health and Safety Code, is  
6 amended to read as follows:

7 (b) The application must include:

8 (1) the name and address of the applicant;

9 (2) ~~the~~ the name and address of each of the applicant's  
10 directors, owners, managers, and employees;

11 (3) the address of any satellite location that will be  
12 used by the applicant for secure storage of low-THC cannabis under  
13 Section 487.1035; ~~and~~

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

17 SECTION 5. Subchapter C, Chapter 487, Health and Safety  
18 Code, is amended by adding Section 487.1035 to read as follows:

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

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

27 (c) The department must act on an application submitted

1 under Subsection (b) not later than the 90th day after the date the  
2 application is submitted to the department.

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

5 SECTION 6. Section 487.104, Health and Safety Code, is  
6 amended by adding Subsections (d), (e), (f), and (g) to read as  
7 follows:

8 (d) The department shall issue nine licenses under this  
9 section to dispensing organizations in this state provided that the  
10 department receives applications from a sufficient number of  
11 applicants meeting the requirements for approval under this  
12 subchapter.

13 (e) The department shall issue initial licenses to  
14 dispensing organizations under this section based on a competitive  
15 evaluation of applicant qualifications relative to other  
16 applicants.

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

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

24 SECTION 7. Subchapter C, Chapter 487, Health and Safety  
25 Code, is amended by adding Sections 487.1045 and 487.1046 to read as  
26 follows:

27 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 department shall adopt rules to:

7 (1) establish a minimum amount of dispensing activity  
8 in which a dispensing organization must engage to maintain a  
9 license under this chapter;

10 (2) monitor whether a dispensing organization is  
11 actively using a license issued under this subchapter to dispense  
12 low-THC cannabis and the amount of dispensing activity engaged in  
13 by the organization; and

14 (3) revoke the license of a dispensing organization  
15 that:

16 (A) does not dispense low-THC cannabis within the  
17 time required by this section; or

18 (B) after the 24-month period following initial  
19 licensure, discontinues dispensing low-THC cannabis or fails to  
20 meet the minimum dispensing activity requirement under Subdivision  
21 (1) during the term of a license.

22 Sec. 487.1046. LOCATION. (a) A license holder may not  
23 operate as a dispensing organization or establish a satellite  
24 location within 1,000 feet of the premises of a school that exists  
25 on the date of the approval of the license holder's initial  
26 application for licensure as a dispensing organization or approval  
27 of a satellite location, as applicable.

1        (b) In this section, "school" and "premises" have the  
2 meanings assigned by Section 481.134.

3        SECTION 8. Sections 487.105(a) and (b), Health and Safety  
4 Code, are amended to read as follows:

5        (a) An applicant for the issuance or renewal of a license to  
6 operate as a dispensing organization shall provide the department  
7 with the applicant's name and the name of each of the applicant's  
8 directors, owners, managers, and employees.

9        (b) Before a dispensing organization licensee hires a  
10 manager or employee for the organization, the licensee must provide  
11 the department with the name of the prospective manager or  
12 employee. The licensee may not transfer the license to another  
13 person before that prospective applicant and the applicant's  
14 directors, owners, managers, and employees pass a criminal history  
15 background check and are registered as required by Subchapter D.

16        SECTION 9. Section 487.107, Health and Safety Code, is  
17 amended by adding Subsection (c) to read as follows:

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

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

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

24        SECTION 10. Subchapter C, Chapter 487, Health and Safety  
25 Code, is amended by adding Section 487.1071 to read as follows:

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

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

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

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

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

12           SECTION 11. Section 487.151(a), Health and Safety Code, is  
13 amended to read as follows:

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

17           SECTION 12. Section 487.201, Health and Safety Code, is  
18 amended to read as follows:

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

25           SECTION 13. Sections 169.001(3), (4), and (5), Occupations  
26 Code, are amended to read as follows:

27           (3) "Low-THC cannabis" means the plant Cannabis sativa

1 L., and any part of that plant or any compound, manufacture, salt,  
2 derivative, mixture, preparation, resin, or oil of that plant that  
3 contains not more than 10 milligrams [~~one percent by weight~~] of  
4 tetrahydrocannabinols in each dosage unit.

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

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

13 SECTION 14. Section 169.003, Occupations Code, is amended  
14 to read as follows:

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

- 18 (1) the patient is a permanent resident of the state;  
19 (2) the physician complies with the registration  
20 requirements of Section 169.004; and  
21 (3) the physician certifies to the department that:  
22 (A) the patient is diagnosed with:  
23 (i) epilepsy;  
24 (ii) a seizure disorder;  
25 (iii) multiple sclerosis;  
26 (iv) spasticity;  
27 (v) amyotrophic lateral sclerosis;

- 1 (vi) autism;
- 2 (vii) cancer;
- 3 (viii) an incurable neurodegenerative
- 4 disease;
- 5 (ix) post-traumatic stress disorder; [~~or~~]
- 6 (x) a terminal illness or a condition for
- 7 which a patient is receiving hospice care; or
- 8 (xi) a medical condition that is approved
- 9 for a research program under Subchapter F, Chapter 487, Health and
- 10 Safety Code, and for which the patient is receiving treatment under
- 11 that program; and

12 (B) the physician determines the risk of the

13 medical use of low-THC cannabis by the patient is reasonable in

14 light of the potential benefit for the patient.

15 (b) Each prescription issued by a physician to a patient for

16 low-THC cannabis:

17 (1) may only provide for a 90-day supply of low-THC

18 cannabis based on the dosage prescribed to the patient; and

19 (2) may provide up to four refills of a 90-day supply

20 of low-THC cannabis.

21 SECTION 15. Chapter 169, Occupations Code, is amended by

22 adding Section 169.006 to read as follows:

23 Sec. 169.006. ADMINISTRATION OF LOW-THC CANNABIS BY

24 PULMONARY INHALATION. (a) A physician may prescribe pulmonary

25 inhalation of an aerosol or vapor as a means of administration of

26 low-THC cannabis if the physician determines that based on the

27 patient's condition there is a medical necessity for that means of

1 administration.

2 (b) The executive commissioner of the Health and Human  
3 Services Commission shall adopt rules related to medical devices  
4 for pulmonary inhalation of low-THC cannabis.

5 SECTION 16. Notwithstanding Section 487.1046, Health and  
6 Safety Code, as added by this Act, a licensed dispensing  
7 organization that, on the effective date of this Act, is operating  
8 in a location that is within 1,000 feet of the premises of a school  
9 may continue to operate in that location.

10 SECTION 17. Not later than April 1, 2026, the Department of  
11 Public Safety shall license at least nine dispensing organizations  
12 in accordance with Section 487.104, Health and Safety Code, as  
13 amended by this Act, including those already licensed and actively  
14 operating as of the effective date of this Act, provided at least  
15 nine applicants for a license to operate as a dispensing  
16 organization have met the requirements for approval provided by  
17 Subchapter C, Chapter 487, Health and Safety Code, as amended by  
18 this Act.

19 SECTION 18. Not later than October 1, 2025:

20 (1) the Department of Public Safety shall adopt the  
21 rules necessary to implement Sections 487.1035 and 487.1045, Health  
22 and Safety Code, as added by this Act; and

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

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

**ADOPTED**

**MAY 27 2025**

FLOOR AMENDMENT NO. 1

*Lately Spaw*  
Secretary of the Senate

BY:

*Chris Famy*

1 Amend C.S.H.B. No. 46 (senate committee report) in SECTION 1  
2 of the bill, in added Section 487.001(5), Health and Safety Code  
3 (page 1, line 31), between "organization" and the underlined period  
4 by inserting the following:

5 and who:

6 (A) owns more than 10 percent of the dispensing  
7 organization, if the organization is a publicly traded or privately  
8 held corporation; or

9 (B) is a governing person or an officer, as those  
10 terms are defined by Section 1.002, Business Organizations Code,  
11 of the dispensing organization

# ADOPTED

MAY 27 2025

*Latey Spaw*  
Secretary of the Senate

FLOOR AMENDMENT NO. 2

BY: *Chris Ferry*

1 Amend C.S.H.B. 46 (senate committee report) as follows:

2 (1) In SECTION 6 of the bill, in added Section 487.104(d),  
3 Health and Safety Code (page 2, line 47), strike "nine" and  
4 substitute "12".

5 (2) In SECTION 17 of the bill, requiring the issuance of  
6 licenses to dispensing organizations (page 5, lines 5 and 9),  
7 strike "nine" and substitute "12" in each place it appears.

# ADOPTED

MAY 27 2025

*Laticy Law*  
Secretary of the Senate

FLOOR AMENDMENT NO. 3

BY: Chris Farny

1 Amend C.S.H.B. No. 46 (senate committee report) in SECTION 6  
2 of the bill, by striking added Section 487.104(e), Health and  
3 Safety Code (page 2, lines 52-55), and substituting the following:

4 (e) The department shall issue initial licenses to  
5 dispensing organizations under this section:

6 (1) based on a competitive evaluation of applicant  
7 qualifications relative to other applicants; and

8 (2) giving preference to a dispensing organization:

9 (A) that has or plans to have the organization's  
10 principal place of business in this state; or

11 (B) each owner of which is a resident of this  
12 state.

# ADOPTED

MAY 27 2025

*Lacey Snow*  
Secretary of the Senate

*Chris Ferry*

FLOOR AMENDMENT NO. 4

BY: \_\_\_\_\_

1 Amend C.S.H.B. 46 (senate committee report) as follows:

2 (1) Strike the recital to SECTION 13 of the bill, amending  
3 Section 169.001, Occupations Code (page 4, lines 7 and 8), and  
4 substitute the following:

5 SECTION 13. Section 169.001, Occupations Code, is amended  
6 to read as follows:

7 Sec. 169.001. DEFINITIONS. In this chapter:

8 (1) "Chronic pain" means pain that is not relieved  
9 with acute, post-surgical, post-procedure, or persistent  
10 non-chronic pain treatment and is associated with a chronic  
11 pathological process that causes continuous or intermittent pain  
12 for more than 90 days from the date of the initial prescription  
13 prescribing treatment with an opioid.

14 (1-a) "Department" means the Department of Public  
15 Safety.

16 (2) [~~(1-a)~~] "Incurable neurodegenerative disease"  
17 means a disease designated as an incurable neurodegenerative  
18 disease by rule of the executive commissioner of the Health and  
19 Human Services Commission, adopted in consultation with the  
20 National Institutes of Health.

21 (2) In SECTION 14 of the bill, in amended Section  
22 169.003(a)(3)(A)(x), Occupations Code (page 4, line 43), following  
23 the underlined semicolon, strike "or".

24 (3) In SECTION 14 of the bill, in amended Section  
25 169.003(a)(3)(A)(xi), Occupations Code (page 4, line 44), between  
26 "(xi)" and "a", insert the following:

27 chronic pain; or  
28 (xii)

29 (4) In SECTION 14 of the bill, in amended Section 169.003,

1 Occupations Code (page 4, between lines 56 and 57), immediately  
2 following added Subsection (b) of that section, insert the  
3 following:

4 (c) The board by rule shall establish procedures for  
5 oversight and monitoring of physicians qualified to prescribe  
6 low-THC cannabis under this chapter to prevent low-THC cannabis  
7 prescription misuse.

8 (5) Add the following appropriately numbered SECTIONS to  
9 the bill and renumber subsequent SECTIONS of the bill accordingly:

10 SECTION \_\_\_\_\_. Section 169.002, Occupations Code, is amended  
11 by amending Subsection (b) and adding Subsection (d) to read as  
12 follows:

13 (b) Except as otherwise provided by this section, a [A]  
14 physician is qualified to prescribe low-THC cannabis with respect  
15 to a patient's particular medical condition if the physician:

16 (1) is licensed under this subtitle;

17 (2) is board certified in a medical specialty relevant  
18 to the treatment of the patient's particular medical condition by a  
19 specialty board approved by the American Board of Medical  
20 Specialties or the Bureau of Osteopathic Specialists; and

21 (3) dedicates a significant portion of clinical  
22 practice to the evaluation and treatment of the patient's  
23 particular medical condition.

24 (d) A physician is qualified to prescribe low-THC cannabis  
25 for a patient diagnosed with chronic pain only if the physician:

26 (1) meets the qualifications described by Subsections  
27 (b)(1) and (3); and

28 (2) is board certified or holds a subspecialty  
29 certification in pain medicine by a specialty board as described in  
30 Subsection (b)(2).

31 SECTION \_\_\_\_\_. As soon as practicable after the effective

1 date of this Act, the Texas Medical Board shall adopt the rules  
2 required by Section 169.003(c), Occupations Code, as added by this  
3 Act.

# ADOPTED

MAY 27 2025

*Lately Jones*  
Secretary of the Senate

FLOOR AMENDMENT NO. 5

BY: Chris Farny

1 Amend C.S.H.B. 46 (senate committee report) as follows:

2 (1) In SECTION 14 of the bill, in Section 169.003, Occupations  
3 Code strike (b) (page 4, lines 51 through 56) and substitute the  
4 following:

5 (b) Each prescription issued by a physician to a patient for  
6 low-THC cannabis:

7 (1) may only provide for up to a 90-day supply of low-THC  
8 cannabis based on the dosage prescribed to the patient; and

9 (2) may provide up to three refills of a 90-day supply of  
10 low-THC cannabis.

# ADOPTED

MAY 27 2025

*Lacey Spaw*  
Secretary of the Senate

FLOOR AMENDMENT NO. 6

BY: Chad Farny

1 Amend C.S.H.B. 46 (senate committee report) as follows:

2 (1) In SECTION 17 of the bill, requiring the issuance of  
3 licenses to dispensing organizations (page 5, line 4), between  
4 "SECTION 17." and "Not", insert the following:

5 (a) Not later than October 1, 2025, the Department of Public  
6 Safety shall license three additional dispensing organizations in  
7 accordance with Section 487.104, Health and Safety Code, as amended  
8 by this Act, provided at least three applicants for a license to  
9 operate as a dispensing organization have met the requirements for  
10 approval provided by Subchapter C, Chapter 487, Health and Safety  
11 Code, as amended by this Act. The department may issue a new  
12 license as provided by this subsection only to a dispensing  
13 organization that applied for a license in 2023.

14 (b)

15 (2) In SECTION 17 of the bill, requiring the issuance of  
16 licenses to dispensing organizations (page 5, line 8), between  
17 "this Act" and ", provided", insert "and those licensed under  
18 Subsection (a) of this section".

# ADOPTED

MAY 27 2025

*Latey Law*  
Secretary of the Senate

FLOOR AMENDMENT NO. 7

BY: *Chad Perry*

1 Amend C.S.H.B. 46 (senate committee report) as follows:

2 (1) Strike SECTION 18 of the bill, (page 5, lines 13 through  
3 19) and substitute the following:

4 SECTION 18. Not later than October 1, 2025:

5 (1) the Department of Public Safety shall propose the rules  
6 necessary to implement Sections 487.1035 and 487.1045, Health and  
7 Safety Code, as added by this Act; and

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

**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>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
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>	<b>Probable Revenue Gain from General Revenue Fund 1</b>
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

**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>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
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>	<b>Probable Revenue Gain from General Revenue Fund</b> 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

**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>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
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>	<b>Probable (Cost) from General Revenue Fund 1</b>	<b>Probable Revenue Gain from General Revenue Fund 1</b>
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

**LBB Staff:** JMc, WP, CSh, KVLEL, NPe

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**May 7, 2025**

**TO:** Honorable Gary VanDeaver, Chair, House Committee on Public Health

**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 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB46, Committee Report 1st House, Substituted: a positive impact of \$5,751,966 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	\$5,751,966
2027	\$0
2028	\$3,800,951
2029	\$0
2030	\$3,509,792

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1
2026	\$5,751,966
2027	\$0
2028	\$3,800,951
2029	\$0
2030	\$3,509,792

**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, and administration of low-THC cannabis. Under the provisions of the bill, the Department of Public Safety (DPS) would also be able to issue 11 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.

## **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 \$80,916 in business application fees, \$5,373,720 in business original license fees, and \$297,330 in registrant original and renewal license fees. DPS assumes collections of \$7,007,242 in business renewal license fees and \$303,501 in registrant original and renewal license fees between fiscal years 2028-2030.

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, 529 Health and Human Services Commission, 537 State Health Services, Department of

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

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**April 14, 2025**

**TO:** Honorable Gary VanDeaver, Chair, House Committee on Public Health

**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.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB46, As Introduced: a positive impact of \$5,751,966 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>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2026	\$5,751,966
2027	\$0
2028	\$3,800,951
2029	\$0
2030	\$3,509,792

**All Funds, Five-Year Impact:**

<i>Fiscal Year</i>	<b>Probable Savings/(Cost) from General Revenue Fund 1</b>
2026	\$5,751,966
2027	\$0
2028	\$3,800,951
2029	\$0
2030	\$3,509,792

**Fiscal Analysis**

The bill would amend certain rules related to the Texas Compassionate Use Program including the use of certain satellite locations, operations, packaging, and administration of low-THC cannabis. Under the provisions of the bill, the Department of Public Safety (DPS) would also be able to issue 11 licenses to dispensing organizations.

**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 \$80,916 in business application fees, \$5,373,720 in business original license fees, and \$297,330 in registrant original and renewal license fees. DPS assumes collections of \$7,007,242 in business renewal license fees and \$303,501 in registrant original and renewal license fees between fiscal years 2028-2030.

**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, 529 Health and Human Services Commission

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