PROCLAMATION

BY THE

Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

Pursuant to Article IV, Section 14, of the Texas Constitution, I, Greg Abbott, Governor of Texas, do hereby disapprove of and veto Senate Bill No. 3 as passed by the Eighty-Ninth Texas Legislature, Regular Session, because of the following objections:

Texans on each side of the Senate Bill 3 debate raise serious concerns. But one thing is clear—to ensure the highest level of safety for minors, as well as for adults, who obtain a product more dangerous than what they expected, Texas must strongly regulate hemp, and it must do so *immediately*.

Senate Bill 3 is well-intentioned. But it would never go into effect because of valid constitutional challenges. Litigation challenging the bill has already been filed, and the legal defects in the bill are undeniable. If I were to allow Senate Bill 3 to become law, its enforcement would be enjoined for years, leaving existing abuses unaddressed. Texas cannot afford to wait.

This conclusion is not speculative. The only other State to attempt a ban like Senate Bill 3 is Arkansas. In 2023, Arkansas enacted Senate Bill 358, which (like this bill) would have criminalized hemp products that Congress expressly legalized in the 2018 Farm Bill. That federal law converted hemp and hemp products from contraband to lawful commodities. The Arkansas law was challenged, and a federal court swiftly halted it in its entirety, finding it was likely preempted by federal statutes and that its criminal provisions were likely unconstitutionally vague. See Bio Gen, LLC v. Sanders, 690 F. Supp. 3d 927, 941 (E.D. Ark. 2023). The result in Arkansas? Their law has sat dormant, meaningless, having no effect for nearly two years while further legal proceedings play out. That result must be avoided in Texas.

As a former Supreme Court Justice and Attorney General of Texas, I know that Senate Bill 3 is vulnerable to the same legal attacks. At worst, Senate Bill 3 would be permanently invalidated by the courts; at best, its implementation would be delayed for years as the case winds its way through the legal system. We can do better.

What is the legal problem with Senate Bill 3? As passed, it would prohibit *anyone* from manufacturing, distributing, or possessing consumable hemp products that contain "any amount of a cannabinoid other than" CBD or CBG—regardless of whether those products fall under the federally-mandated THC threshold. It therefore criminalizes what Congress expressly legalized and puts federal and state law on a collision course: Today, federal law promises Texas farmers that they may grow hemp without fear of criminal liability. But under Senate Bill 3, the seeds used to grow those plants are "consumable products"—currently available in stores—and they naturally contain cannabinoids. What's a Texas farmer to do? Trust the federal government's promise, or fear criminal liability from the State?

Senate Bill 3 not only invites potential criminal entrapment for Texas farmers. It would also make felons of other innocent Texans, like pharmacists stocking health supplements, veterans treating PTSD, and parents caring for epileptic children with FDA-approved medications. Possessing "any amount"—FREDINTHE OFFICE OF THE SECRETARY OF STATE

amounts—of THC results in criminal penalties, despite federal law saying "No State ... shall prohibit" the transportation of hemp products.

In addition to the preemption issues that doomed the Arkansas law, Senate Bill 3 could also be an unconstitutional taking of private property. There are many bad actors who have abused the authority granted to them by both the federal government and the State of Texas. But there are also many Texans conducting business responsibly, who invested millions of dollars planting fields or opening up retail stores in reliance on laws making hemp a lawful product to "be sold at retail or otherwise introduced into commerce." Tex. Health & Safety Code § 443.152(a). While States may restrict the use of dangerous contraband, it is a different thing entirely to change the rules in the middle of the game, thereby interfering with "distinct investment-backed expectations" in property. *Penn Cent. Transp. Co. v. City of New York*, 438 U.S. 104, 124 (1978).

Proponents of Senate Bill 3 have acknowledged this likelihood of litigation but may not have fully processed the consequences. Just two days ago, a group of plaintiffs filed a lawsuit in Travis County District Court arguing that Senate Bill 3 is preempted by federal law and would be an unconstitutional taking in violation of both the federal and state Constitutions. They assert that the bill will "turn farmers, business owners, and consumers into criminals, despite the protections for hemp products conferred by federal law." See Original Pet., CBD Pros USA v. Texas, No. _____ (___ Dist. Ct., Travis County, Tex., filed June 20, 2025). They are right.

Allowing Senate Bill 3 to become law—knowing that it faces a lengthy battle that will render it dead on arrival in court—would hinder rather than help us solve the public safety issues this bill seeks to contain. The problem THC poses for our communities is real. Earlier this year, a 15-year-old in Houston took a large amount of hemp gummies. When he suffered a "bad reaction," he called 911, then shot his mother and his sister repeatedly. Just this month, two teens distributed hemp products at a graduation party in Prosper. The celebration ended early when seven high school students had to be rushed to a hospital.

How did we get here?

In 2019, after the federal government passed the Farm Bill, legislators passed House Bill 1325, fixating on the *cannabis sativa* plant. Any plant variant with more than 0.3% THC by dry weight was deemed (illegal) marijuana; any variant with less was deemed (legal) hemp available to anyone, regardless of age. As it turned out, the smaller amount of THC in hemp could be multiplied and modified to make products stronger and more addictive than marijuana. Bad actors did what bad actors do—they took advantage. They engineered products with dangerously high concentrations. And they marketed lollipops and other products designed to mimic candies popular with kids. The current market is dangerously under-regulated, and children are paying the price. If Senate Bill 3 is swiftly enjoined by a court, our children will be no safer than if no law was passed, and the problems will only grow.

That is why I am vetoing Senate Bill 3 and calling a Special Legislative Session in July to craft a law that does as much as possible to corral the problems while also being structured so that it can go into effect this year.

Texas must enact a regulatory framework that protects public safety, aligns with federal law, has a fully funded enforcement structure, and can take effect without delay. Legislators could consider a structure similar to the way alcohol is regulated, with strict enforcement by an agency like the Texas Alcoholic

Beverage Commission. A sample of potential regulations could include some of the following:

- Selling or providing a THC product to a minor must be punishable as a crime;
- Sales must be prohibited near schools, churches, parks, playgrounds, and other areas frequented by children;
- Packaging must be child-resistant, tamper-evident, and resealable;
- Products must not be made, packaged, or marketed in a manner attractive to children;
- Any store selling these products must have a permit and restrict access to anyone under the age of 21, with strict penalties for any retailer that fails to comply;
- Products containing THC may not contain other psychoactive substances (e.g., alcohol, tobacco, kratom);
- Testing must be required at every phase of production and manufacturing, including for both plants and derivative consumable products;
- Manufacturing and processing facilities must be subject to permitting and food safety rules;
- Permit and registration fees must suffice to support robust enforcement and testing by the Texas Alcoholic Beverage Commission, in partnership with other state agencies;
- An operator's permit and warning/danger signs must be posted at any store selling these products;
- Sales must be limited to the hours between 10:00 a.m. and 9:00 p.m., and prohibited on Sundays;
- The amount of THC permissible in each product must be restricted and an individual may make only a limited number of purchases in a given period of time;
- Labels must include a surgeon general-style warning, a clear disclosure of all ingredients, including the THC content, and a scannable barcode or QR code linking to test results;
- Fraudulently creating or displaying manifests or lab results must be punishable as felony offenses;
- Public consumption, consumption on the premises of any store that sells these products, and possession of an open container in a vehicle must be punishable as crimes;
- The Attorney General, district attorneys, and county attorneys must have authority to pursue violations under the Deceptive Trade Practices Act;
- Local governments must have the option to prohibit or limit stores selling these products;
- Excise taxes must be assessed on these products to fund oversight and enforcement; and
- Additional funding must be provided to ensure law enforcement have sufficient resources to vigorously enforce restrictions.

This list, of course, is not exhaustive. But it may provide items to consider in a regulatory system that is strict, fair, and legally sustainable.

Passing a law is not the same thing as actually solving a problem. Texas needs a bill that is enforceable and will make our communities safer *today*, rather than years from now. Next month, the Legislature will have the opportunity to address this serious issue. I look forward to working with them to ensure that we get it right.

FILED IN THE OFFICE OF THE SECRETARY OF STATE O'CLOCK

Since the Eighty-Ninth Texas Legislature, Regular Session, by its adjournment has prevented the return of this bill, I am filing these objections in the office of the secretary of state and giving notice thereof by this public proclamation according to the aforementioned constitutional provision.



IN TESTIMONY WHEREOF, I have signed my name officially and caused the Seal of the State to be affixed hereto at Austin, this 22nd day of June, 2025.

GREG ABBOTT Governor of Texas

ATTESTED BY:

MNE NELSON Secretary of State