

Consumable Cannabis in Texas

	<u>Marijuana (TCUP after HB46)</u>	<u>Hemp (after the Gov. EO)</u>
Legality	Federally - illegal as a Sch. I Controlled Substance (but the Trump Administration may reschedule) Texas - illegal as a Penalty Group 2, 2A Controlled Substance in derivative or concentrate form and as flower. Health & Safety Code §§ 481.120, 481.121. Medical access is permitted only via Texas Compassionate Use Program (TCUP) which is exempt from criminal statutes Any amount of a 'concentrate' is a felony; flower more than 4oz is a felony	Federally - legal State - legal Must comply with general food/safety laws in addition to hemp-specific regulations, which allow for both civil and criminal liability. "Hemp" and "the tetrahydrocannabinols in hemp" exempted from "controlled substance" definition
Regulatory Agencies	Federally: DEA Texas: DPS (including TCUP) & DSHS (some rulemaking)	Federally: USDA, FDA, FTC, ... Texas: TDA (cultivation), TABC & DSHS (consumable hemp products)
Application & Licensing Types, Fees, and Numbers	<u>Application Fee</u>: \$7,356 <u>Dispensing Organization License</u>: \$488,520 initial + \$318,511/biennial renewal + \$530 per each Director/Manager/Owner/Employee Registration biennially LIMITED — currently there are 3 licensees; 9 more by 12/1/25 & 3 more by 4/1/26 All owners, managers, members, and employees must be disclosed and registered Current Number of Registered Physicians: 902 Current Number of Registered Patients (who are largely not active): 127,206 [9/25]	<u>Producer License (TDA)</u>: \$100 (up to 5 facilities) <u>Facility Registration (TDA)</u>: \$100/facility <u>Lot Permit (TDA)</u>: \$100/lot <u>Sampler License (TDA)</u>: \$100 <u>Research License (TDA)</u>: \$100 <u>Testing Laboratory License (TDA)</u>: \$250 <u>Retail Registration (DSHS)</u>: \$155/year per location <u>Manufacturing/Processing/Distribution (DSHS)</u>: \$258/year per location New fees coming in rulemaking. NO LICENSE CAPS No ownership disclosure. TDA Producer Licenses: 480 DSHS CHP Manuf. Licenses: ~1300 DSHS Hemp Retail Registrations: ~8000
Testing Requirements	Full panel self-testing required with 2-year record-keeping *By DPS practice, samples routinely submitted via DPS for third-party testing (because DPS not testing in-house). Currently	Full panel, third-party, ISO-certified lab testing required with 3-year record-keeping (pre-harvest plant samples must be tested for THC potency by TDA-registered lab) <i>Note</i>: Finished products not required to be

	sent out of state. *By DPS practice, new products are sent to DPS for testing and approval prior to sale Subject to inspection: Must test products for THC, CBD, residual solvents, heavy metals, pesticides, and fungicides, fertilizers, and mold	tested in Texas or at Texas-regulated labs Subject to inspection: Must test for THC potency, cannabinoid concentrations, heavy metals, microbial impurities, pesticides, harmful microorganisms, and residual solvents THC Metric: Plants: Total THC (adjusted for THCA) Products: Delta-9 THC only but new rules forthcoming
Facility Requirements	General: fire, safety, and building code requirements Specific: requirements for extraction system, staffing, electrical systems, mechanical equipment, hazard safety, sanitation/waste disposal, security & diversion control 1000' buffer from any private or public school or day care center previously in existence No longer limited to one location; "satellite locations" permitted after 9/1 but DPS must approve of each location and has up to 180 days to do so and by proposed rule satellite locations may not allow patients to see any products except for their prescription as it's dispensed	General: fire, safety, and building code requirements Warehouse licensing requirements, including cGMP in some cases Buffer from K-12 schools <u>not</u> required (Note: Al. Bev. Code buffer = 300') No limits on number of stores or locations, or customer contact with product, including flower.
Inspections	Routinely & upon complaint/investigation; heavily staffed for frequent inspections	Routinely & upon complaint/investigation; twelve inspectors for thousands of locations across the state. DSHS can only inspect a given location once every five years. DSHS delegating to TABC soon.
Available Products	All phytocannabinoids + terpenes, THC's not to exceed 10 mg "per dosing unit" and 1 gram per package, container, or pulmonary inhalation medical device. Limited to a 90-day supply and four refills per Rx. Tinctures, edibles, supplements, topicals Smoking (burning) is banned	All hemp-derived cannabinoids + terpenes, delta-9 THC not to exceed 0.3% concentration by dry weight (treated as 1% by law enforcement). Synthetic and converted cannabinoids allowed. Unlimited purchasing. Tinctures, edibles, supplements, topicals, flower, pre-rolls, concentrates, beverages (Vapes banned as of 9/1/25) "Smoking" defined as burning or heating

	Pulmonary inhalation allowed after 9/1/25 but rulemaking and product approval will delay availability	(i.e., vapes) but permitted under hemp statutes so long as they are not manufactured/processed in Texas
Customer Base & Age Restrictions	No age restrictions, but minors need approval of legal guardian Limited number of qualifying conditions determined by law, not doctors; but chronic pain, traumatic brain injury, Crohn's/IBS, terminal illness, or conditions for which the patient is receiving palliative or hospice care added as of 9/1. Physician may also petition DSHS for new conditions but only the Legislature can add.	TABC and DSHS emergency regulation for under 21 ban on penalty of license revocation Consumers have freedom to purchase any product for any reason at any dosage available.
Distribution	Patients must be Texas residents and receive Texas-licensed doctor diagnosis and dosage recommendation. May only purchase from licensed dispensing organizations, can pick up at designated locations or have delivered. Produced, manufactured and sold only by TCUP Licensees to patients through very limited customer pickup locations and limited delivery availability	Sold to consumers from smoke shops, gas stations, CBD stores, health & wellness facilities, grocery stores, and other retail locations and via e-commerce National & international distribution/supply chain
Packaging & Advertising Standards	Rx-specific labeling requirements, including patient/doctor info, dispensary info, dosage, batch number, potency, required notices Seed-to-Sale Tracking Child-Resistant Packaging	Must include lot number/date and manufacturer name, email & phone number and Certificate of Analysis (COA) of lab results via url or QR Code link No Seed-to-Sale Tracking or other legally required ability to trace back problem products No child-resistant packaging requirement
Taxes	None, but Internal Revenue Code Section 280E applies (cannot deduct costs of goods sold so extremely high federal taxes).	Sales tax of 6.25% to 8.25% depending on local jurisdiction but no 280E issues
Legally forced Business model	Vertically integrated license. *By DPS practice, licensees may not participate in the hemp market	Multiple Licensing/Registration Options: Producer, Processor, Sampler/Handler, Testing Lab (for producers), Manufacturer, Distributor, Retail

Developed by **Andrea Steel**, The Banks Law Firm, **Katharine Harris, Ph.D.**, Fellow in Drug Policy at Rice University's Baker Institute for Public Policy, and **Susan Hays**, Law Office of Susan Hays, P.C. for a presentation on **State Cannabis Regulation, Enforcement, and Accountability**, at the 2024 **Texas Cannabis Policy Conference**. Updated by Hays after the 2025 Regular Session. The information in this chart is not intended to nor does it constitute legal advice. This chart summarizes both the law as written and key agency practices where relevant.