

By: _____ .B. No. _____

Substitute the following for .B. No. _____:

By: _____ C.S..B. No. _____

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of consumable hemp products and the hemp-derived cannabinoids contained in those products; requiring a registration; imposing fees; creating criminal offenses; providing an administrative penalty.

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

SECTION 1. Section 443.001, Health and Safety Code, is amended by amending Subdivision (1) and adding Subdivision (8-a) to read as follows:

(1) "Consumable hemp product" means food, a drug, a device, or a cosmetic, as those terms are defined by Section 431.002, that contains hemp or one or more hemp-derived cannabinoids, including cannabidiol or cannabigerol.

(8-a) "Minor" means a person under 21 years of age.

SECTION 2. Subchapter A, Chapter 443, Health and Safety Code, is amended by adding Section 443.0025 to read as follows:

Sec. 443.0025. LOW-THC CANNABIS. This chapter does not apply to low-THC cannabis regulated under Chapter 487.

SECTION 3. Subchapter C, Chapter 443, Health and Safety Code, is amended by adding Section 443.1035 to read as follows:

Sec. 443.1035. LICENSING FEES. (a) An applicant for a license under this subchapter shall pay an initial licensing fee to the department in the amount of \$10,000 for each location where the applicant intends to process hemp or manufacture a consumable hemp

1 product.

2 (b) Before the department may renew a license as provided by
3 Section 443.104, a license holder shall pay a renewal fee to the
4 department in the amount of \$10,000 for each location where the
5 applicant intends to process hemp or manufacture a consumable hemp
6 product.

7 SECTION 4. Section 443.104(b), Health and Safety Code, is
8 amended to read as follows:

9 (b) The department shall renew a license if the license
10 holder:

11 (1) is not ineligible to hold the license under
12 Section 443.102;

13 (2) has not violated this chapter or a rule adopted
14 under this chapter;

15 (3) submits to the department any license renewal fee;
16 and

17 (4) (3) ~~does not owe any outstanding fees to the~~
18 ~~department.~~

19 SECTION 5. Subchapter C, Chapter 443, Health and Safety
20 Code, is amended by adding Section 443.106 to read as follows:

21 Sec. 443.106. RESTRICTION ON MANUFACTURE OF CERTAIN
22 CONSUMABLE HEMP PRODUCTS. A license holder may not manufacture a
23 consumable hemp product that contains any amount of a cannabinoid
24 other than cannabidiol or cannabigerol.

25 SECTION 6. Sections 443.151(a), (b), and (d), Health and
26 Safety Code, are amended to read as follows:

27 (a) A consumable hemp product must be tested as provided

1 by[+]

2 [~~(1)~~] Subsections (b), [and] (c), and [~~+~~ or
3 [~~(2)~~ Subsection] (d).

4 (b) Before a hemp plant is processed or otherwise used in
5 the manufacture of a consumable hemp product, a sample representing
6 the plant must be tested, as required by the executive
7 commissioner, to determine:

8 (1) the concentration and identity of the [~~various~~
9 cannabinoids in the plant; and

10 (2) the presence or quantity of heavy metals,
11 pesticides, microbial contamination, and any other substance
12 prescribed by the department.

13 (d) Before [~~Except as otherwise provided by Subsection (c),~~
14 ~~before~~] a consumable hemp product is sold at retail or otherwise
15 introduced into commerce in this state, a sample representing the
16 hemp product must be tested:

17 (1) by a laboratory that is accredited by an
18 accreditation body in accordance with International Organization
19 for Standardization ISO/IEC 17025 or a comparable or successor
20 standard to determine the identity and [~~delta-9~~
21 ~~tetrahydrocannabinol~~] concentration of any cannabinoids contained
22 in the product; and

23 (2) by an appropriate laboratory to determine that the
24 product does not contain a substance described by Subsection (b)(2)
25 [~~(b)~~] or (c) in a quantity prohibited for purposes of those
26 subsections.

27 SECTION 7. Sections 443.152(a) and (c), Health and Safety

Code, are amended to read as follows:

(a) A consumable hemp product that contains any amount of a cannabinoid other than cannabidiol or cannabigerol [~~has a delta-9 tetrahydrocannabinol concentration of more than 0.3 percent~~] may not be sold at retail or otherwise introduced into commerce in this state.

(c) A license holder shall make available to a seller of a consumable hemp product processed or manufactured by the license holder the results of testing required by Section 443.151. The results may accompany a shipment to the seller or be made available to the seller electronically. If the results are not able to be made available, the seller may have the testing required under Section 443.151 performed on the product and shall make the results available to a consumer and the department.

SECTION 8. Sections 443.202(b) and (c), Health and Safety Code, are amended to read as follows:

(b) Notwithstanding any other law, a person may not sell, offer for sale, possess, distribute, or transport a cannabinoid oil [~~, including cannabidiol oil,~~] in this state:

(1) if the oil contains any material extracted or derived from the plant *Cannabis sativa* L., other than from hemp produced in compliance with 7 U.S.C. Chapter 38, Subchapter VII; and

(2) unless a sample representing the oil has been tested by a laboratory that is accredited by an independent accreditation body in accordance with International Organization for Standardization ISO/IEC 17025 or a comparable or successor

1 standard and found to not contain any amount of a cannabinoid other
2 than cannabidiol or cannabigerol [~~have a delta-9~~
3 ~~tetrahydrocannabinol concentration of not more than 0.3 percent~~].

4 (c) The department [~~and the Department of Public Safety~~]
5 shall establish a process for the [~~random~~] testing of cannabinoid
6 oil[~~, including cannabidiol oil,~~] at various retail and other
7 establishments that sell, offer for sale, distribute, or use the
8 oil to ensure that the oil:

9 (1) does not contain harmful ingredients;

10 (2) is produced in compliance with 7 U.S.C. Chapter
11 38, Subchapter VII; and

12 (3) does not contain any amount of a cannabinoid other
13 than cannabidiol or cannabigerol [~~has a delta-9~~
14 ~~tetrahydrocannabinol concentration of not more than 0.3 percent~~].

15 SECTION 9. The heading to Section 443.2025, Health and
16 Safety Code, is amended to read as follows:

17 Sec. 443.2025. REGISTRATION REQUIRED FOR RETAILERS OF
18 CERTAIN CONSUMABLE HEMP PRODUCTS.

19 SECTION 10. Section 443.2025, Health and Safety Code, is
20 amended by amending Subsections (b), (d), (f), and (g) and adding
21 Subsections (h) and (i) to read as follows:

22 (b) A person may not sell consumable hemp products
23 containing a cannabinoid [~~cannabidiol~~] at retail in this state
24 unless the person registers with the department each location
25 owned, operated, or controlled by the person at which those
26 products are sold. A person is not required to register a location
27 associated with an employee [~~or independent contractor~~] described

1 by Subsection (d).

2 (d) A person is not required to register with the department
3 under Subsection (b) if the person is~~+~~

4 ~~[(1)] an employee of a registrant~~[, or~~~~

5 ~~[(2) an independent contractor of a registrant who~~
6 ~~sells the registrant's products at retail]~~.

7 (f) The owner of a location at which consumable hemp
8 products are sold shall annually pay to the department a
9 registration fee in the amount of \$20,000 for each location owned by
10 the person at which those products are sold ~~[The department by rule~~
11 ~~may adopt a registration fee schedule that establishes reasonable~~
12 ~~fee amounts for the registration of:~~

13 ~~[(1) a single location at which consumable hemp~~
14 ~~products containing cannabidiol are sold; and~~

15 ~~[(2) multiple locations at which consumable hemp~~
16 ~~products containing cannabidiol are sold under a single~~
17 ~~registration]~~.

18 (g) The department shall adopt rules to:

19 (1) implement and administer this section; and

20 (2) require a person required to register under this
21 section to provide to the department information regarding the type
22 and concentration of each cannabinoid present in each consumable
23 hemp product offered for sale by the person.

24 (h) The department shall provide to the Department of Public
25 Safety the information provided to the department under Subsection
26 (g)(2).

27 (i) A person may not sell consumable hemp products unless

1 the person has provided to the department written consent from the
2 person or the property owner, if the person is not the property
3 owner, allowing the department, the Department of Public Safety,
4 and any other state or local law enforcement agency to enter onto
5 all premises where consumable hemp products are sold to conduct a
6 physical inspection or to ensure compliance with this chapter and
7 rules adopted under this chapter.

8 SECTION 11. Section 443.203, Health and Safety Code, is
9 amended to read as follows:

10 Sec. 443.203. DECEPTIVE TRADE PRACTICE. (a) A person who
11 sells, offers for sale, or distributes a consumable hemp product
12 ~~[cannabinoid oil, including cannabidiol oil,]~~ that the person
13 claims is processed or manufactured in compliance with this chapter
14 commits a false, misleading, or deceptive act or practice
15 actionable under Subchapter E, Chapter 17, Business & Commerce
16 Code, if the product ~~[oil]~~ is not processed or manufactured in
17 accordance with this chapter.

18 (b) A person who sells, offers for sale, or distributes a
19 consumable hemp product ~~[cannabinoid oil]~~ commits a false,
20 misleading, or deceptive act or practice actionable under
21 Subchapter E, Chapter 17, Business & Commerce Code, if ~~[the oil]~~:

- 22 (1) the product contains harmful ingredients;
- 23 (2) the product is not produced in compliance with 7
24 U.S.C. Chapter 38, Subchapter VII; ~~[or]~~
- 25 (3) the product contains any amount of a cannabinoid
26 other than cannabidiol or cannabigerol; or
- 27 (4) the product's packaging or advertising indicates

1 that the product is for medical use ~~[has a delta-9~~
2 ~~tetrahydrocannabinol concentration of more than 0.3 percent]~~.

3 SECTION 12. Section 443.204, Health and Safety Code, is
4 amended to read as follows:

5 Sec. 443.204. RULES RELATED TO SALE OF CONSUMABLE HEMP
6 PRODUCTS. Rules adopted by the executive commissioner regulating
7 the sale of consumable hemp products must to the extent allowable by
8 federal law reflect the following principles:

9 (1) hemp-derived ~~[cannabinoids, including]~~
10 cannabidiol and cannabigerol ~~[7]~~ are not considered controlled
11 substances or adulterants;

12 (2) products containing ~~[one or more]~~ hemp-derived
13 ~~[cannabinoids, such as]~~ cannabidiol or cannabigerol ~~[7]~~ intended
14 for ingestion are considered foods, not controlled substances or
15 adulterated products; and

16 (3) consumable hemp products must be packaged and
17 labeled in the manner provided by Section 443.205~~[7 and~~

18 ~~[(4) the processing or manufacturing of a consumable~~
19 ~~hemp product for smoking is prohibited]~~.

20 SECTION 13. Sections 443.205(a) and (c), Health and Safety
21 Code, are amended to read as follows:

22 (a) Before a consumable hemp product that contains or is
23 marketed as containing ~~[more than trace amounts of]~~ cannabinoids
24 may be distributed or sold, the product must be:

25 (1) labeled in the manner provided by this subchapter,
26 including ~~[section with]~~ the following information:

27 (A) [(1)] batch identification number;

1 (B) [(2)] batch date;

2 (C) [(3)] product name;

3 (D) [(4)] a uniform resource locator (URL) that

4 provides or links to a certificate of analysis for the product or

5 each hemp-derived ingredient of the product;

6 (E) [(5)] the name of the product's

7 manufacturer;

8 (F) the amount of cannabidiol or cannabigerol in

9 each serving or unit of the product; and

10 (G) [(6)] a certification that there is no

11 detectable amount of any cannabinoid other than cannabidiol or

12 cannabigerol in the product; and

13 (2) prepackaged or placed at the time of sale in

14 packaging or a container that is:

15 (A) tamper-evident;

16 (B) child-resistant; and

17 (C) if the product contains multiple servings or

18 consists of multiple products purchased in one transaction,

19 resealable in a manner that allows the child-resistant mechanism to

20 remain intact ~~[the delta-9 tetrahydrocannabinol concentration of~~

21 ~~the product or each hemp-derived ingredient of the product is not~~

22 ~~more than 0.3 percent]~~.

23 (c) The label required by Subsection (a) must appear on the

24 outer packaging of each unit of the product intended for individual

25 retail sale. ~~[If that unit includes inner and outer packaging, the~~

26 ~~label may appear on any of that packaging.]~~

27 SECTION 14. Subchapter E, Chapter 443, Health and Safety

Code, is amended by adding Sections 443.2055 and 443.2056 to read as follows:

Sec. 443.2055. OFFENSE: MARKETING OF CONSUMABLE HEMP PRODUCT OR PACKAGING IN MANNER ATTRACTIVE TO MINORS. (a) A person commits an offense if the person markets, advertises, sells, or causes to be sold an edible consumable hemp product containing a hemp-derived cannabinoid that:

(1) is in the shape of a human, animal, fruit, or cartoon or in another shape that is attractive to children; or

(2) is in packaging or a container that:

(A) is in the shape of a human, animal, fruit, or cartoon or in another shape that is attractive to children;

(B) depicts an image of a human, animal, fruit, or cartoon or another image that is attractive to children;

(C) imitates or mimics trademarks or trade dress of products that are or have been primarily marketed to minors;

(D) includes a symbol that is primarily used to market products to minors;

(E) includes an image of a celebrity; or

(F) includes an image that resembles a food product, including candy or juice.

(b) In this section, a cartoon includes a depiction of an object, person, animal, creature, or any similar caricature that:

(1) uses comically exaggerated features and attributes;

(2) assigns human characteristics to animals, plants, or other objects; or

1 (3) has unnatural or extra-human abilities, such as
2 imperviousness to pain or injury, x-ray vision, tunneling at very
3 high speeds, or transformation.

4 (c) An offense under this section is a Class A misdemeanor.

5 Sec. 443.2056. OFFENSE: MISLEADING CONSUMABLE HEMP
6 PACKAGING. (a) A person commits an offense if the person sells or
7 offers for sale a consumable hemp product that contains or is
8 marketed as containing hemp-derived cannabinoids in a package that
9 depicts any statement, artwork, or design that would likely mislead
10 a person to believe:

11 (1) the package does not contain a hemp-derived
12 cannabinoid; or

13 (2) the product is intended for medical use, including
14 by depicting a green cross.

15 (b) An offense under this section is a Class A misdemeanor.

16 SECTION 15. Section 443.206, Health and Safety Code, is
17 amended to read as follows:

18 Sec. 443.206. RETAIL SALE OF OUT-OF-STATE CONSUMABLE HEMP
19 PRODUCTS. Retail sales of consumable hemp products processed or
20 manufactured outside of this state may be made in this state when
21 the products were processed or manufactured in another state or
22 jurisdiction if the products:

23 (1) were manufactured or processed in compliance with:

24 (A) [~~1~~] that state's [~~state~~] or jurisdiction's
25 plan approved by the United States Department of Agriculture under
26 7 U.S.C. Section 1639p;

27 (B) [~~2~~] a plan established under 7 U.S.C.

1 Section 1639q if that plan applies to the state or jurisdiction; or
2 (C) [~~43~~] the laws of that state or jurisdiction
3 if the products are tested in accordance with, or in a manner
4 similar to, Section 443.151;

5 (2) do not contain any amount of a cannabinoid other
6 than cannabidiol or cannabigerol; and

7 (3) are packaged and labeled in the manner provided by
8 this subchapter.

9 SECTION 16. Chapter 443, Health and Safety Code, is amended
10 by adding Subchapters F and G to read as follows:

11 SUBCHAPTER F. CRIMINAL OFFENSES

12 Sec. 443.251. OFFENSE: MANUFACTURE, DELIVERY, OR
13 POSSESSION WITH INTENT TO DELIVER OF CERTAIN CONSUMABLE HEMP
14 PRODUCTS. (a) A person commits an offense if the person knowingly
15 manufactures, delivers, or possesses with intent to deliver a
16 consumable hemp product that contains any amount of a cannabinoid
17 other than cannabidiol or cannabigerol.

18 (b) An offense under this section is a felony of the third
19 degree.

20 (c) If conduct constituting an offense under this section
21 also constitutes an offense under another law, the actor may be
22 prosecuted under this section, the other law, or both.

23 Sec. 443.252. OFFENSE: POSSESSION OF CERTAIN CONSUMABLE
24 HEMP PRODUCTS. (a) A person commits an offense if the person
25 knowingly or intentionally possesses a consumable hemp product that
26 contains any amount of a cannabinoid other than cannabidiol or
27 cannabigerol.

1 (b) An offense under this section is a Class A misdemeanor.

2 (c) If conduct constituting an offense under this section
3 also constitutes an offense under another law, the actor may be
4 prosecuted under this section, the other law, or both.

5 Sec. 443.253. OFFENSE: SALE OR DISTRIBUTION OF CERTAIN
6 CONSUMABLE HEMP PRODUCTS TO PERSONS YOUNGER THAN 21 YEARS OF AGE;
7 PROOF OF AGE REQUIRED. (a) A person commits an offense if the
8 person, with criminal negligence, sells a consumable hemp product
9 that contains or is marketed as containing hemp-derived
10 cannabinoids to a person who is younger than 21 years of age.

11 (b) An employee of the owner of a store in which consumable
12 hemp products that contain or are marketed as containing
13 hemp-derived cannabinoids are sold at retail is criminally
14 responsible and subject to prosecution for an offense under this
15 section that occurs in connection with a sale by the employee.

16 (c) An offense under this section is a Class A misdemeanor.

17 (d) It is a defense to prosecution under Subsection (a) that
18 the person to whom the consumable hemp product was sold presented to
19 the defendant apparently valid proof of identification.

20 (e) A proof of identification satisfies the requirements of
21 Subsection (d) if it contains a physical description and photograph
22 consistent with the person's appearance, purports to establish that
23 the person is 21 years of age or older, and was issued by a
24 governmental agency. The proof of identification may include a
25 driver's license issued by this state or another state, a passport,
26 or an identification card issued by a state or the federal
27 government.

1 (f) The owner of a store in which consumable hemp products
2 that contain or are marketed as containing hemp-derived
3 cannabinoids are sold, or an employee of the owner, may not display
4 consumable hemp products for sale adjacent to products that are
5 legal for children to consume.

6 Sec. 443.254. OFFENSE: MANUFACTURE, DISTRIBUTION, OR SALE
7 OF CONSUMABLE HEMP PRODUCTS FOR SMOKING. (a) A person commits an
8 offense if the person manufactures, distributes, sells, or offers
9 for sale a consumable hemp product for smoking.

10 (b) An offense under this section is a Class B misdemeanor.

11 Sec. 443.255. OFFENSE: SALE OR DELIVERY OF CERTAIN
12 CONSUMABLE HEMP PRODUCTS NEAR SCHOOL. (a) In this section,
13 "school" and "premises" have the meanings assigned by Section
14 481.134.

15 (b) A person commits an offense if the person sells, offers
16 for sale, or delivers a consumable hemp product containing a
17 hemp-derived cannabinoid in, on, or within 1,000 feet of the
18 premises of a school.

19 (c) An offense under this section is a Class B misdemeanor.

20 Sec. 443.256. OFFENSE: PROVISION OF CERTAIN CONSUMABLE HEMP
21 PRODUCT BY COURIER, DELIVERY, OR MAIL SERVICE. (a) A person
22 commits an offense if the person provides a consumable hemp product
23 containing a hemp-derived cannabinoid by courier, delivery, or mail
24 service.

25 (b) An offense under this section is a Class A misdemeanor.

26 Sec. 443.257. OFFENSE: FALSE LABORATORY REPORT. (a) A
27 person commits an offense if the person, with the intent to deceive,

1 forges, falsifies, or alters the results of a laboratory test
2 authorized or required by this chapter.

3 (b) An offense under this section is a felony of the third
4 degree.

5 SUBCHAPTER G. ADMINISTRATIVE ENFORCEMENT

6 Sec. 443.301. ENFORCEMENT BY DEPARTMENT. (a) The
7 department shall receive and investigate complaints concerning
8 violations of this chapter by:

9 (1) a license holder under Subchapter C; or

10 (2) a registrant under Section 443.2025.

11 (b) The department may revoke, suspend, or refuse to renew a
12 license or registration for a violation of this chapter or a rule
13 adopted under this chapter.

14 (c) The department may impose an administrative penalty in
15 an amount not to exceed \$10,000 against a license holder or
16 registrant for each violation of this chapter or a rule adopted
17 under this chapter.

18 (d) A proceeding under this section is a contested case
19 under Chapter 2001, Government Code.

20 SECTION 17. The following provisions of the Health and
21 Safety Code are repealed:

22 (1) Section 443.151(e);

23 (2) Section 443.201; and

24 (3) Sections 443.202(a) and 443.2025(a) and (c).

25 SECTION 18. Not later than December 1, 2025, the Department
26 of State Health Services shall adopt the rules required by Section
27 443.2025(g), Health and Safety Code, as amended by this Act.

1 SECTION 19. (a) Except as otherwise provided by Subsection
2 (b) of this section, the changes in law made by this Act apply to the
3 manufacture, sale, delivery, or possession of a consumable hemp
4 product that occurs on or after the effective date of this Act. The
5 manufacture, sale, delivery, or possession of a consumable hemp
6 product that occurs before the effective date of this Act is
7 governed by the law in effect on the date the manufacture, sale,
8 delivery, or possession occurred and the former law is continued in
9 effect for that purpose.

10 (b) A person selling consumable hemp products on the
11 effective date of this Act is not required to register under Section
12 443.2025, Health and Safety Code, as amended by this Act, before
13 January 1, 2026.

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