

AN ACT

relating to the regulation of products derived from hemp, including consumable hemp products and the hemp-derived cannabinoids contained in those products; requiring occupational licenses and permits; imposing fees; creating criminal offenses; authorizing 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. Chapter 443, Health and Safety Code, is amended by adding Subchapter A-1 to read as follows:

SUBCHAPTER A-1. NONAPPLICABILITY

Sec. 443.021. LOW-THC CANNABIS. This chapter does not apply to low-THC cannabis regulated under Chapter 487.

Sec. 443.022. RESEARCH. This chapter does not apply to research on hemp conducted by:

(1) a medical school, as defined by Section 61.501, Education Code;

1 (2) a hospital licensed under Chapter 241; or

2 (3) an institution of higher education or private or
3 independent institution of higher education, as defined by Section
4 61.003, Education Code.

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

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

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

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

19 (b) The department shall renew a license if the license
20 holder:

21 (1) is not ineligible to hold the license under
22 Section 443.102;

23 (2) has not violated this chapter or a rule adopted
24 under this chapter;

25 (3) submits to the department any license renewal fee;
26 and

27 (4) [~~3~~] does not owe any outstanding fees to the

department.

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

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

SECTION 6. Section 443.151, Health and Safety Code, is amended by amending Subsections (a), (b), and (d) and adding Subsections (d-1) and (d-2) to read as follows:

(a) A consumable hemp product must be tested as provided by~~+~~

~~[(1)] Subsections (b), [and] (c), and [or]~~

~~[(2) Subsection] (d).~~

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

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

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

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

(1) by a laboratory that is:

(A) located in this state;

(B) registered with the United States Drug Enforcement Administration; and

(C) accredited by an accreditation body in accordance with International Organization for Standardization ISO/IEC 17025 or a comparable or successor standard to determine the identity and ~~[delta-9 tetrahydrocannabinol]~~ concentration of any cannabinoids contained in the product; and

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

(d-1) The testing required under Subsection (d) must use post-decarboxylation, high-performance liquid chromatography, or a similar method that includes the conversion of tetrahydrocannabinolic acid into tetrahydrocannabinol to determine the total tetrahydrocannabinol concentration in a tested product.

(d-2) A person that tests a consumable hemp product under Subsection (d) shall report the test results to the department in the form and manner required by the department.

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

1 state.

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

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

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

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

19 (2) unless a sample representing the oil has been
20 tested by a laboratory that is accredited by an independent
21 accreditation body in accordance with International Organization
22 for Standardization ISO/IEC 17025 or a comparable or successor
23 standard and found to not contain any amount of a cannabinoid other
24 than cannabidiol or cannabigerol ~~[have a delta-9~~
25 ~~tetrahydrocannabinol concentration of not more than 0.3 percent]~~.

26 (c) The department ~~[and the Department of Public Safety]~~
27 shall establish a process for the ~~[random]~~ testing of cannabinoid

oil~~[, including cannabidiol oil,]~~ at various retail and other establishments that sell, offer for sale, distribute, or use the oil to ensure that the oil:

(1) does not contain harmful ingredients;

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

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

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

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

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

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

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

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

~~[(2)] an independent contractor of a registrant who~~

~~sells the registrant's products at retail].~~

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

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

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

(h) A person may not sell consumable hemp products unless the person has provided to the department written consent from the person or the property owner, if the person is not the property owner, allowing the department, the Department of Public Safety, and any other state or local law enforcement agency to enter onto all premises where consumable hemp products are sold to conduct a physical inspection or to ensure compliance with this chapter and rules adopted under this chapter.

SECTION 11. Subchapter E, Chapter 443, Health and Safety Code, is amended by adding Section 443.2026 to read as follows:

Sec. 443.2026. CONSUMABLE HEMP PRODUCT REGISTRATION. (a) A consumable hemp product may not be offered for sale in this state unless the manufacturer of the product, before selling the product to a retailer:

(1) submits an application for the consumable hemp

1 product to be registered with the department; and

2 (2) receives approval that the product is compliant
3 with this chapter, registered, and approved for sale in this state.

4 (b) The department shall issue a unique product
5 registration number to each consumable hemp product approved by the
6 department.

7 (c) A manufacturer applying to register a consumable hemp
8 product under this section shall pay an application fee to the
9 department in the amount of \$500 for each consumable hemp product.

10 (d) The department shall maintain an updated product
11 registration list on the department's public Internet website,
12 which must include front and back identifying pictures of each
13 registered product.

14 (e) Each consumable hemp product, including the container
15 and package, if applicable, must be labeled with:

16 (1) a QR code that links:

17 (A) to the department's product registration
18 list under Subsection (d); and

19 (B) to the identifying picture of the product
20 provided on registration of the product with the department under
21 Subsection (d) for the purpose of confirming registration of the
22 product and allowing verification of the product by law
23 enforcement; and

24 (2) the following message placed adjacent to the
25 required QR code on the label: "SCAN QR CODE BEFORE PURCHASE".

26 (f) The department may not approve for sale a consumable
27 hemp product that:

1 (1) contains any artificial or synthetic
2 cannabinoids; or

3 (2) contains or is mixed with any alcohol, tobacco,
4 nicotine, kratom, kava, mushrooms, or a derivative of any of those
5 items.

6 (g) A person commits an offense if the person distributes,
7 delivers, sells, purchases, possesses, or uses a consumable hemp
8 product that is not registered with the department as provided by
9 this section.

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

11 (i) A person is presumed to know a consumable hemp product
12 is prohibited under this chapter if the product is not listed on the
13 department's Internet website as required by Subsection (d) or does
14 not have a valid QR code under Subsection (e).

15 (j) The executive commissioner shall adopt rules to
16 implement and administer this section.

17 SECTION 12. Section 443.203, Health and Safety Code, is
18 amended to read as follows:

19 Sec. 443.203. DECEPTIVE TRADE PRACTICE. (a) A person who
20 sells, offers for sale, or distributes a consumable hemp product
21 ~~[cannabinoid oil, including cannabidiol oil,~~] that the person
22 claims is processed or manufactured in compliance with this chapter
23 commits a false, misleading, or deceptive act or practice
24 actionable under Subchapter E, Chapter 17, Business & Commerce
25 Code, if the product ~~[oil]~~ is not processed or manufactured in
26 accordance with this chapter.

27 (b) A person who sells, offers for sale, or distributes a

1 consumable hemp product [~~cannabinoid oil~~] commits a false,
2 misleading, or deceptive act or practice actionable under
3 Subchapter E, Chapter 17, Business & Commerce Code, if [~~the oil~~]:

4 (1) the product contains harmful ingredients;
5 (2) the product is not produced in compliance with 7
6 U.S.C. Chapter 38, Subchapter VII; [~~or~~]

7 (3) the product contains any amount of a cannabinoid
8 other than cannabidiol or cannabigerol; or

9 (4) the product's packaging or advertising indicates
10 that the product is for medical use [~~has a delta-9~~
11 ~~tetrahydrocannabinol concentration of more than 0.3 percent~~].

12 SECTION 13. Section 443.204, Health and Safety Code, is
13 amended to read as follows:

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

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

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

25 (3) consumable hemp products must be packaged and
26 labeled in the manner provided by Section 443.205[~~, and~~

27 [~~(4) the processing or manufacturing of a consumable~~

~~hemp product for smoking is prohibited~~].

SECTION 14. Sections 443.205(a) and (c), Health and Safety Code, are amended to read as follows:

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

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

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

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

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

(D) ~~[(4)]~~ a uniform resource locator (URL) that provides or links to a certificate of analysis for the product or each hemp-derived ingredient of the product;

(E) ~~[(5)]~~ the name of the product's manufacturer;

(F) the amount of cannabidiol or cannabigerol in each serving or unit of the product; and

(G) ~~[(6)]~~ a certification that there is no detectable amount of any cannabinoid other than cannabidiol or cannabigerol in the product; and

(2) prepackaged or placed at the time of sale in packaging or a container that is:

(A) tamper-evident;

(B) child-resistant; and

(C) if the product contains multiple servings or consists of multiple products purchased in one transaction,

1 resealable in a manner that allows the child-resistant mechanism to
2 remain intact [~~the delta-9 tetrahydrocannabinol concentration of~~
3 ~~the product or each hemp-derived ingredient of the product is not~~
4 ~~more than 0.3 percent~~].

5 (c) The label required by Subsection (a) must appear on the
6 outer packaging of each unit of the product intended for individual
7 retail sale. [~~If that unit includes inner and outer packaging, the~~
8 ~~label may appear on any of that packaging.~~]

9 SECTION 15. Subchapter E, Chapter 443, Health and Safety
10 Code, is amended by adding Sections 443.2055 and 443.2056 to read as
11 follows:

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

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

19 (2) is in packaging or a container that:

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

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

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

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

1 (E) includes an image of a celebrity; or

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

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

6 (1) uses comically exaggerated features and
7 attributes;

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

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

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

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

20 (1) the package does not contain a hemp-derived
21 cannabinoid; or

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

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

25 SECTION 16. Section [443.206](#), Health and Safety Code, is
26 amended to read as follows:

27 Sec. 443.206. RETAIL SALE OF OUT-OF-STATE CONSUMABLE HEMP

PRODUCTS. Retail sales of consumable hemp products processed or manufactured outside of this state may be made in this state when the products were processed or manufactured in another state or jurisdiction if the products:

(1) were manufactured or processed in compliance with:

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

(B) [~~(2)~~] a plan established under 7 U.S.C. Section 1639q if that plan applies to the state or jurisdiction; or

(C) [~~(3)~~] the laws of that state or jurisdiction if the products are tested in accordance with, or in a manner similar to, Section 443.151;

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

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

SECTION 17. Chapter 443, Health and Safety Code, is amended by adding Subchapters F and G to read as follows:

SUBCHAPTER F. CRIMINAL OFFENSES

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

(b) An offense under this section is a felony of the third

1 degree.

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. 443.252. OFFENSE: POSSESSION OF CERTAIN CONSUMABLE
6 HEMP PRODUCTS. (a) A person commits an offense if the person
7 knowingly or intentionally possesses a consumable hemp product that
8 contains any amount of a cannabinoid other than cannabidiol or
9 cannabigerol.

10 (b) It is a defense to prosecution under this section that
11 the actor:

12 (1) requested emergency medical assistance in
13 response to the person's own possible overdose or the possible
14 overdose of another person; and

15 (2) if the person requested emergency medical
16 assistance for the possible overdose of another person:

17 (A) remained on the scene until medical
18 assistance arrived; and

19 (B) cooperated with medical assistance and law
20 enforcement personnel on the scene.

21 (c) An offense under this section is a Class C misdemeanor,
22 except that if it is shown on the trial of the offense that at the
23 time of the offense the actor has been previously convicted of an
24 offense under this section two or more times, the offense is a
25 misdemeanor punishable by:

26 (1) a fine of not less than \$250 and not more than
27 \$2,000;

1 (2) confinement in jail for a term not to exceed 180
2 days; or

3 (3) both the fine and the confinement.

4 (d) The court shall order:

5 (1) a person placed on deferred disposition for or
6 convicted of an offense under this section to:

7 (A) perform community service for:

8 (i) not less than 8 or more than 12 hours if
9 the person has not been previously convicted of an offense under
10 this section; or

11 (ii) not less than 20 or more than 40 hours
12 if the person has been previously convicted of an offense under this
13 section; and

14 (B) successfully complete a substance misuse
15 education program under Section 521.374(a)(1), Transportation
16 Code, that is regulated by the Texas Department of Licensing and
17 Regulation under Chapter 171, Government Code; and

18 (2) the Department of Public Safety to suspend the
19 driver's license or permit of a person convicted of an offense under
20 this section or, if the person does not have a driver's license or
21 permit, to deny the issuance of a driver's license or permit for:

22 (A) 30 days, if the person has not been
23 previously convicted of an offense under this section;

24 (B) 60 days, if the person has been previously
25 convicted once of an offense under this section; or

26 (C) 180 days, if the person has been previously
27 convicted twice or more of an offense under this section.

1 (e) A driver's license suspension under Subsection (d)(2)
2 takes effect on the 11th day after the date the person is convicted.

3 (f) A person who has been previously convicted of an offense
4 under this section two or more times is not eligible to receive
5 deferred disposition or deferred adjudication for an offense under
6 this section.

7 (g) Community service ordered under Subsection (d) must be
8 related to education about or prevention of misuse of drugs if a
9 program or service providing that education or prevention is
10 available in the county in which the court is located. If a program
11 or service providing that education or prevention is not available
12 in the county, the court may order community service appropriate
13 for rehabilitative purposes. The education program under
14 Subsection (d)(1)(B) is in addition to community service ordered
15 under this section.

16 (h) For the purpose of determining whether a person has been
17 previously convicted of an offense under this section:

18 (1) an adjudication under Title 3, Family Code, that
19 the person engaged in conduct described by this section is
20 considered a conviction of an offense under this section; and

21 (2) an order of deferred disposition for an offense
22 alleged under this section is considered a conviction of an offense
23 under this section.

24 (i) If conduct constituting an offense under this section
25 also constitutes an offense under another law, the actor may be
26 prosecuted under this section, the other law, or both.

27 Sec. 443.253. OFFENSE: SALE OR DISTRIBUTION OF CERTAIN

1 CONSUMABLE HEMP PRODUCTS TO PERSONS YOUNGER THAN 21 YEARS OF AGE;
2 PROOF OF AGE REQUIRED. (a) A person commits an offense if the
3 person, with criminal negligence, sells a consumable hemp product
4 that contains or is marketed as containing hemp-derived
5 cannabinoids to a person who is younger than 21 years of age.

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

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

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

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

23 (f) The owner of a store in which consumable hemp products
24 that contain or are marketed as containing hemp-derived
25 cannabinoids are sold, or an employee of the owner, may not display
26 consumable hemp products for sale adjacent to products that are
27 legal for children to consume.

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

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

6 Sec. 443.255. OFFENSE: SALE OR DELIVERY OF CERTAIN
7 CONSUMABLE HEMP PRODUCTS NEAR SCHOOL. (a) In this section,
8 "school" and "premises" have the meanings assigned by Section
9 [481.134](#).

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

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

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

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

21 Sec. 443.257. OFFENSE: FALSE LABORATORY REPORT. (a) A
22 person commits an offense if the person, with the intent to deceive,
23 forges, falsifies, or alters the results of a laboratory test
24 authorized or required by this chapter.

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

27 Sec. 443.258. OFFENSE: MANUFACTURING OR SELLING WITHOUT

LICENSE OR REGISTRATION. (a) A person commits an offense if the person:

(1) processes hemp or manufactures a consumable hemp product without a license issued under Subchapter C; or

(2) sells at retail or offers for sale at retail a consumable hemp product without registering as a retailer under Section 443.2025.

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

SUBCHAPTER G. ADMINISTRATIVE ENFORCEMENT

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

(1) a license holder under Subchapter C; or

(2) a registrant under Section 443.2025.

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

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

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

SECTION 18. The following provisions of the Health and Safety Code are repealed:

(1) Section 443.151(e);

1 (2) Section 443.201; and

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

3 SECTION 19. Not later than December 1, 2025, the executive
4 commissioner of the Health and Human Services Commission shall
5 adopt the rules required by Section 443.2026, Health and Safety
6 Code, as added by this Act.

7 SECTION 20. (a) Except as otherwise provided by Subsection
8 (b) of this section, the changes in law made by this Act apply to the
9 manufacture, sale, delivery, or possession of a consumable hemp
10 product that occurs on or after the effective date of this Act. The
11 manufacture, sale, delivery, or possession of a consumable hemp
12 product that occurs before the effective date of this Act is
13 governed by the law in effect on the date the manufacture, sale,
14 delivery, or possession occurred and the former law is continued in
15 effect for that purpose.

16 (b) A person selling consumable hemp products on the
17 effective date of this Act is not required to register a product
18 under Section 443.2026, Health and Safety Code, as added by this
19 Act, before January 1, 2026.

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

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 3 passed the Senate on March 19, 2025, by the following vote: Yeas 26, Nays 5; and that the Senate concurred in House amendments on May 25, 2025, by the following vote: Yeas 25, Nays 6.

Secretary of the Senate

I hereby certify that S.B. No. 3 passed the House, with amendments, on May 22, 2025, by the following vote: Yeas 87, Nays 54, one present not voting.

Chief Clerk of the House

Approved:

Date

Governor