

AN ACT

relating to the production and regulation of hemp; requiring occupational licenses; authorizing fees; creating criminal offenses; providing civil and administrative penalties.

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

SECTION 1. Section 12.020(c), Agriculture Code, is amended to read as follows:

(c) The provisions of law subject to this section and the applicable penalty amounts are as follows:

Provision	Amount of Penalty
Chapters 13, 14A, 17, 18, 19, 41, 46, 61, 72, 73, 74, 76, 94, 95, 101, 102, 103, <u>122</u> , 125, 132, and 134	not more than \$5,000
Subchapters A, B, and C, Chapter 71	not more than \$5,000
Chapter 14	not more than \$10,000
Chapter 1951, Occupations Code	not more than \$5,000
Chapter 153, Natural Resources Code	not more than \$5,000
Section 91.009	not more than \$5,000.

SECTION 2. Title 5, Agriculture Code, is amended by adding Subtitle F to read as follows:

SUBTITLE F. HEMP

CHAPTER 121. STATE HEMP PRODUCTION PLAN

Sec. 121.001. DEFINITION. In this chapter, "hemp" means the plant Cannabis sativa L. and any part of that plant, including the seeds of the plant and all derivatives, extracts, cannabinoids,

1 isomers, acids, salts, and salts of isomers, whether growing or  
2 not, with a delta-9 tetrahydrocannabinol concentration of not more  
3 than 0.3 percent on a dry weight basis.

4 Sec. 121.002. LEGISLATIVE INTENT. It is the intent of the  
5 legislature that this state have primary regulatory authority over  
6 the production of hemp in this state.

7 Sec. 121.003. STATE PLAN. (a) The department, after  
8 consulting with the governor and attorney general, shall develop a  
9 state plan to monitor and regulate the production of hemp in this  
10 state. The plan must comply with:

- 11 (1) 7 U.S.C. Section 1639p;
- 12 (2) Chapter 122; and
- 13 (3) Chapter 443, Health and Safety Code.

14 (b) The department shall submit the plan developed under  
15 Subsection (a) to the secretary of the United States Department of  
16 Agriculture as this state's plan for monitoring and regulating the  
17 production of hemp as provided by 7 U.S.C. Section 1639p.

18 (c) If a plan submitted under Subsection (b) is disapproved  
19 by the secretary of the United States Department of Agriculture,  
20 the department, after consulting with the governor and attorney  
21 general, shall amend the plan as needed to obtain approval and  
22 submit an amended plan.

23 (d) The department shall, as necessary, seek technical  
24 assistance from the secretary of the United States Department of  
25 Agriculture and other state agencies in developing the plan under  
26 this section.

27 Sec. 121.004. RULES. The department may adopt any rules

1 necessary to implement and administer the state plan under Section  
2 121.003.

3 CHAPTER 122. CULTIVATION OF HEMP

4 SUBCHAPTER A. GENERAL PROVISIONS

5 Sec. 122.001. DEFINITIONS. In this chapter:

6 (1) "Cultivate" means to plant, irrigate, cultivate,  
7 or harvest a hemp plant.

8 (2) "Governing person" has the meaning assigned by  
9 Section 1.002, Business Organizations Code.

10 (3) "Handle" means to possess or store a hemp plant:

11 (A) on premises owned, operated, or controlled by  
12 a license holder for any period of time; or

13 (B) in a vehicle for any period of time other than  
14 during the actual transport of the plant from a premises owned,  
15 operated, or controlled by a license holder to:

16 (i) a premises owned, operated, or  
17 controlled by another license holder; or

18 (ii) a person licensed under Chapter 443,  
19 Health and Safety Code.

20 (4) "Hemp" has the meaning assigned by Section  
21 121.001.

22 (5) "Institution of higher education" has the meaning  
23 assigned by Section 61.003, Education Code.

24 (6) "License" means a hemp grower's license issued  
25 under Subchapter C.

26 (7) "License holder" means an individual or business  
27 entity holding a license.

1           (8) "Nonconsumable hemp product" means a product that  
2 contains hemp, other than a consumable hemp product as defined by  
3 Section 443.001, Health and Safety Code. The term includes cloth,  
4 cordage, fiber, fuel, paint, paper, particleboard, and plastics  
5 derived from hemp.

6           (9) "Plot" means a contiguous area in a field,  
7 greenhouse, or indoor growing structure containing the same variety  
8 or cultivar of hemp throughout the area.

9           Sec. 122.002. LOCAL REGULATION PROHIBITED. A municipality,  
10 county, or other political subdivision of this state may not enact,  
11 adopt, or enforce a rule, ordinance, order, resolution, or other  
12 regulation that prohibits the cultivation, handling,  
13 transportation, or sale of hemp as authorized by this chapter.

14           Sec. 122.003. STATE HEMP PRODUCTION ACCOUNT. (a) The state  
15 hemp production account is an account in the general revenue fund  
16 administered by the department.

17           (b) The account consists of:

18           (1) appropriations of money to the account by the  
19 legislature;

20           (2) public or private gifts, grants, or donations,  
21 including federal funds, received for the account;

22           (3) fees received under Section 122.052;

23           (4) interest and income earned on the investment of  
24 money in the account;

25           (5) penalties collected under this chapter other than  
26 a civil penalty collected under Subchapter H; and

27           (6) funds from any other source deposited in the

1 account.

2 (c) The department may accept appropriations and gifts,  
3 grants, or donations from any source to administer and enforce this  
4 subtitle. Money received under this subsection shall be deposited  
5 in the account.

6 (d) Money in the account may be appropriated only to the  
7 department for the administration and enforcement of this subtitle.

8 Sec. 122.004. SEVERABILITY. (a) A provision of this  
9 chapter or its application to any person or circumstance is invalid  
10 if the secretary of the United States Department of Agriculture  
11 determines that the provision or application conflicts with 7  
12 U.S.C. Chapter 38, Subchapter VII, and prevents the approval of the  
13 state plan submitted under Chapter 121.

14 (b) The invalidity of a provision or application under  
15 Subsection (a) does not affect the other provisions or applications  
16 of this chapter that can be given effect without the invalid  
17 provision or application, and to this end the provisions of this  
18 chapter are declared to be severable.

19 SUBCHAPTER B. POWERS AND DUTIES OF DEPARTMENT

20 Sec. 122.051. DEPARTMENT RULES AND PROCEDURES. (a) The  
21 department shall adopt rules and procedures necessary to implement,  
22 administer, and enforce this chapter.

23 (b) Rules adopted under Subsection (a) must:

24 (1) prescribe sampling, inspection, and testing  
25 procedures, including standards and procedures for the calibration  
26 of laboratory equipment, to ensure that the delta-9  
27 tetrahydrocannabinol concentration of hemp plants cultivated in

1 this state is not more than 0.3 percent on a dry weight basis; and

2 (2) provide due process consistent with Chapter 2001,  
3 Government Code, including an appeals process, to protect license  
4 holders from the consequences of imperfect test results.

5 Sec. 122.052. FEES. (a) The department shall set and  
6 collect:

7 (1) an application fee for an initial license in an  
8 amount not to exceed \$100;

9 (2) a license renewal fee in an amount not to exceed  
10 \$100;

11 (3) a participation fee for each location described by  
12 Section 122.103(a)(1) and each location added after the application  
13 is submitted in an amount not to exceed \$100;

14 (4) a site modification fee for each change to a  
15 location described by Section 122.103(a)(1) in an amount not to  
16 exceed \$500; and

17 (5) a collection and testing fee for each preharvest  
18 test or postharvest test if performed by the department in an amount  
19 not to exceed \$300.

20 (b) A fee set by the department under this section may not  
21 exceed the amount necessary to administer this chapter. The  
22 comptroller may authorize the department to collect a fee described  
23 by Subsection (a) in an amount greater than the maximum amount  
24 provided by that subsection if necessary to cover the department's  
25 costs of administering this chapter.

26 (c) The department may not set or collect a fee associated  
27 with the cultivation of hemp that is not listed in Subsection (a),

1 other than:

2 (1) a fee for the organic certification of hemp under  
3 Chapter 18 or for participation in another optional marketing  
4 program; or

5 (2) a fee for the certification of seed or plants under  
6 Chapter 62.

7 (d) Fees collected by the department under this chapter are  
8 not refundable and may be appropriated only to the department for  
9 the purpose of administering this chapter.

10 Sec. 122.053. INSPECTIONS. (a) The department may  
11 randomly inspect land where hemp is grown to determine whether hemp  
12 is being cultivated in compliance with this chapter.

13 (b) The department may enter onto land described by Section  
14 122.103(a)(1), conduct inspections, and collect and test plant  
15 samples.

16 (c) Using participation fees set and collected under  
17 Section 122.052(a)(3), the department shall pay the cost of  
18 inspections under this section.

19 (d) The Department of Public Safety may inspect, collect  
20 samples from, or test plants from any portion of a plot to ensure  
21 compliance with this chapter. A license holder shall allow the  
22 Department of Public Safety access to the plot and the property on  
23 which the plot is located for purposes of this subsection.

24 (e) If, after conducting an inspection or performing  
25 testing under this section, the department or the Department of  
26 Public Safety determines any portion of a plot is not compliant with  
27 this chapter, the department or the Department of Public Safety may

1 report the license holder to the other department or to the attorney  
2 general.

3 Sec. 122.054. SAMPLE COLLECTION AND TESTING. The  
4 department may collect samples and perform testing or contract with  
5 a laboratory for the performance of that collection and testing on  
6 behalf of the department. A test performed by a laboratory on behalf  
7 of the department is considered to be performed by the department  
8 for purposes of this chapter.

9 Sec. 122.055. SHIPPING CERTIFICATE OR CARGO MANIFEST. (a)  
10 The department shall develop a shipping certificate or cargo  
11 manifest which the department shall issue to a license holder in  
12 connection with the transportation of a shipment of hemp plant  
13 material originating in this state, other than sterilized seeds  
14 that are incapable of beginning germination.

15 (b) A certificate or manifest developed under Subsection  
16 (a) must include a unique identifying number for the shipment and  
17 the department's contact information to allow law enforcement  
18 during a roadside inspection of a motor vehicle transporting the  
19 shipment to verify that the shipment consists of hemp cultivated in  
20 compliance with this chapter.

21 (c) The department may coordinate with the Department of  
22 Public Safety to determine whether information included on a  
23 certificate or manifest issued under Subsection (a), including the  
24 unique identifying number, may be made available to law enforcement  
25 personnel through the Texas Law Enforcement Telecommunications  
26 System or a successor system of telecommunication used by law  
27 enforcement agencies and operated by the Department of Public



1 Safety.

2 (d) A person commits an offense if the person, with intent  
3 to deceive law enforcement, forges, falsifies, or alters a shipping  
4 certificate or cargo manifest issued under this section. An  
5 offense under this subsection is a third degree felony.

6 SUBCHAPTER C. HEMP GROWER'S LICENSE

7 Sec. 122.101. LICENSE REQUIRED; EXCEPTIONS. (a) Except as  
8 provided by Subsection (b), a person or the person's agent may not  
9 cultivate or handle hemp in this state or transport hemp outside of  
10 this state unless the person holds a license under this subchapter.

11 (b) A person is not required to hold a license under this  
12 subchapter to manufacture a consumable hemp product in accordance  
13 with Subtitle A, Title 6, Health and Safety Code.

14 Sec. 122.102. LICENSE INELIGIBILITY. (a) An individual  
15 who is or has been convicted of a felony relating to a controlled  
16 substance under federal law or the law of any state may not, before  
17 the 10th anniversary of the date of the conviction:

18 (1) hold a license under this subchapter; or

19 (2) be a governing person of a business entity that  
20 holds a license under this subchapter.

21 (b) The department may not issue a license under this  
22 subchapter to a person who materially falsifies any information  
23 contained in an application submitted to the department under  
24 Section 122.103.

25 Sec. 122.103. APPLICATION; ISSUANCE. (a) A person may  
26 apply for a license under this subchapter by submitting an  
27 application to the department on a form and in the manner prescribed

1 by the department. The application must be accompanied by:

2 (1) a legal description of each location where the  
3 applicant intends to cultivate or handle hemp and the global  
4 positioning system coordinates for the perimeter of each location;

5 (2) written consent from the applicant or the property  
6 owner if the applicant is not the property owner allowing the  
7 department, the Department of Public Safety, and any other state or  
8 local law enforcement agency to enter onto all premises where hemp  
9 is cultivated or handled to conduct a physical inspection or to  
10 ensure compliance with this chapter and rules adopted under this  
11 chapter;

12 (3) the application fee; and

13 (4) any other information required by department rule.

14 (b) Except as provided by Subsection (c), the department  
15 shall issue a license to a qualified applicant not later than the  
16 60th day after the date the department receives the completed  
17 application and the required application fees.

18 (c) A qualified applicant who along with the application  
19 submits proof to the department that the applicant holds a license  
20 under Chapter 487, Health and Safety Code, is not required to pay an  
21 application fee, and the department shall issue the license to the  
22 applicant within the time prescribed by Subsection (b).

23 Sec. 122.104. TERM; RENEWAL. (a) A license is valid for  
24 one year and may be renewed as provided by this section.

25 (b) The department shall renew a license if the license  
26 holder:

27 (1) is not ineligible to hold the license under

1 Section 122.102;

2 (2) submits to the department the license renewal fee;

3 and

4 (3) does not owe any outstanding fee described by  
5 Section 122.052.

6 Sec. 122.105. REVOCATION. The department shall revoke a  
7 license if the license holder is convicted of a felony relating to a  
8 controlled substance under federal law or the law of any state.

9 SUBCHAPTER D. TESTING

10 Sec. 122.151. TESTING LABORATORIES. (a) Subject to  
11 Subsection (b), testing under this subchapter or Section 122.053  
12 must be performed by:

13 (1) the department;

14 (2) an institution of higher education; or

15 (3) an independent testing laboratory registered  
16 under Section 122.152.

17 (b) To perform testing under this chapter, a laboratory  
18 described by Subsection (a) must be accredited by an independent  
19 accreditation body in accordance with International Organization  
20 for Standardization ISO/IEC 17025 or a comparable or successor  
21 standard.

22 (c) A license holder shall select a laboratory described by  
23 Subsection (a) to perform preharvest or postharvest testing of a  
24 sample taken from the license holder's plot. A license holder may  
25 not select an independent testing laboratory under Subsection  
26 (a)(3) unless the license holder has:

27 (1) no ownership interest in the laboratory; or

1           (2) less than a 10 percent ownership interest in the  
2 laboratory if the laboratory is a publicly traded company.

3           (d) A license holder must pay the costs of preharvest or  
4 postharvest sample collection and testing in the amount prescribed  
5 by the laboratory selected by the license holder.

6           (e) The department shall recognize and accept the results of  
7 a test performed by an institution of higher education or an  
8 independent testing laboratory described by Subsection (a). The  
9 department shall require that a copy of the test results be sent by  
10 the institution of higher education or independent testing  
11 laboratory directly to the department and the license holder.

12           (f) The department shall notify the license holder of the  
13 results of the test not later than the 14th day after the date the  
14 sample was collected under Section 122.154 or the date the  
15 department receives test results under Subsection (e).

16           Sec. 122.152. REGISTRATION OF INDEPENDENT TESTING  
17 LABORATORIES. (a) The department shall register independent  
18 testing laboratories authorized to conduct testing under Section  
19 122.151(a)(3).

20           (b) A laboratory is eligible for registration if the  
21 laboratory submits to the department proof of accreditation by an  
22 independent accreditation body in accordance with International  
23 Organization for Standardization ISO/IEC 17025 or a comparable or  
24 successor standard and any required fee.

25           (c) The department shall annually prepare a registry of all  
26 independent testing laboratories registered by the department and  
27 make the registry available to license holders.

1       (d) The department may charge a registration fee to recover  
2 the costs of administering this section.

3       Sec. 122.153. PREHARVEST TESTING REQUIRED. (a) A license  
4 holder may not harvest a hemp plant or plant intended or believed to  
5 be hemp unless a representative sample of plants from the plot where  
6 the plant is grown is collected before harvest and subsequently  
7 tested using post-decarboxylation, high-performance liquid  
8 chromatography, or another similarly reliable method to determine  
9 the delta-9 tetrahydrocannabinol concentration of the sample in the  
10 manner required by this subchapter.

11       (b) For purposes of Subsection (a), a representative sample  
12 of plants from a plot consists of cuttings taken from at least five  
13 plants throughout the plot. The department by rule shall prescribe  
14 the minimum distance between plants from which cuttings may be  
15 taken based on the size of the plot.

16       (c) A laboratory performing preharvest testing under this  
17 section shall homogenize all the cuttings in the sample and test the  
18 delta-9 tetrahydrocannabinol concentration of a random sample of  
19 the homogenized material.

20       (d) This section does not prohibit a license holder from  
21 harvesting plants immediately after a preharvest sample is  
22 collected.

23       Sec. 122.154. PREHARVEST SAMPLE COLLECTION. (a) A license  
24 holder shall notify the department at least 20 days before the date  
25 the license holder expects to harvest plants from a plot in the  
26 manner prescribed by department rule.

27       (b) A sample must be collected by the department or another

1 entity described by Section 122.151(a) for purposes of preharvest  
2 testing under Section 122.153.

3 (c) The department by rule may prescribe reasonable  
4 procedures for submitting a preharvest sample collected under this  
5 section to a testing laboratory selected by the license holder.

6 Sec. 122.155. OPTIONAL POSTHARVEST TESTING. (a) The  
7 department by rule shall allow a license holder to have a single  
8 postharvest test performed on a representative sample of plants  
9 from a plot if the results of the preharvest test representing the  
10 plot show a delta-9 tetrahydrocannabinol concentration of more than  
11 0.3 percent on a dry weight basis.

12 (b) The department by rule shall prescribe the requirements  
13 for a representative sample and for sample collection under this  
14 section.

15 (c) If a license holder fails to request postharvest testing  
16 on or before the 15th day after the date the license holder is  
17 notified of the results of the preharvest test, the results of the  
18 preharvest test are final.

19 Sec. 122.156. SHIPPING DOCUMENTATION FOR TEST SAMPLES. The  
20 department shall issue documentation to an entity authorized to  
21 collect samples of plants for testing that authorizes the  
22 transportation of those samples from the place of collection to a  
23 testing laboratory described by Section 122.151(a).

24 Sec. 122.157. FALSE LABORATORY REPORT; CRIMINAL OFFENSE.

25 (a) A person commits an offense if the person, with the intent to  
26 deceive, forges, falsifies, or alters the results of a laboratory  
27 test required or authorized under this chapter.

1       (b) An offense under Subsection (a) is a third degree  
2 felony.

3           SUBCHAPTER E. HARVEST AND USE OR DISPOSAL OF PLANTS

4       Sec. 122.201. HARVEST. (a) A license holder shall harvest  
5 the plants from a plot not later than the 20th day after the date a  
6 preharvest sample is collected under Section 122.154 unless field  
7 conditions delay harvesting or the department authorizes the  
8 license holder to delay harvesting. This subsection does not  
9 prohibit the license holder from harvesting the plants immediately  
10 after the preharvest sample is collected.

11       (b) A license holder may not sell or use harvested plants  
12 before the results of a preharvest and, if applicable, postharvest  
13 test performed on a sample representing the plants are received. If  
14 the test results are not received before the plants are harvested,  
15 the license holder shall dry and store the harvested plants until  
16 the results are received.

17       (c) A license holder may not commingle harvested plants  
18 represented by one sample with plants represented by another sample  
19 until the results of the tests are received.

20       Sec. 122.202. USE OR DISPOSAL OF HARVESTED PLANTS. (a) If  
21 the results of a preharvest or postharvest test performed on a  
22 sample show a delta-9 tetrahydrocannabinol concentration of not  
23 more than 0.3 percent on a dry weight basis, the license holder may  
24 sell or use the plants represented by the sample for any purpose  
25 allowed by law.

26       (b) If the results of a preharvest and, if applicable,  
27 postharvest test performed on a sample show a delta-9

1 tetrahydrocannabinol concentration of more than 0.3 percent on a  
2 dry weight basis:

3 (1) the license holder shall dispose of or destroy all  
4 plants represented by the sample:

5 (A) in the manner prescribed by federal law; or

6 (B) in a manner approved by the department that  
7 does not conflict with federal law; or

8 (2) if the department determines the plants  
9 represented by the sample reached that concentration solely as a  
10 result of negligence, the license holder is subject to Section  
11 122.403(c) and may:

12 (A) trim the plants until the delta-9  
13 tetrahydrocannabinol concentration of the plants is not more than  
14 0.3 percent on a dry weight basis and dispose of the noncompliant  
15 parts of the plants in a manner approved by the department;

16 (B) process the plants into fiber with a delta-9  
17 tetrahydrocannabinol concentration of not more than 0.3 percent on  
18 a dry weight basis and dispose of any remaining parts of the plants  
19 in a manner approved by the department; or

20 (C) take any other corrective action consistent  
21 with federal regulations adopted under 7 U.S.C. Chapter 38,  
22 Subchapter VII.

23 SUBCHAPTER F. HEMP SEED

24 Sec. 122.251. APPLICABILITY OF SUBCHAPTER. This subchapter  
25 does not apply to sterilized seeds that are incapable of beginning  
26 germination.

27 Sec. 122.252. CERTIFICATION OR APPROVAL. (a) The



1 department or an entity authorized to certify seed under Chapter 62  
2 shall identify and certify or approve seed confirmed to produce  
3 hemp.

4 (b) The department or entity may not certify or approve a  
5 variety of hemp seed if the seed is tested and confirmed to produce  
6 a plant that has delta-9 tetrahydrocannabinol concentration of more  
7 than 0.3 percent on a dry weight basis. For purposes of this  
8 subsection, the department may partner with a private entity or an  
9 institution of higher education to test seed for the purpose of  
10 certification or approval under this section.

11 (c) The department may authorize the importation of hemp  
12 seed certified in accordance with the law of another state or  
13 jurisdiction that requires as a condition of certification that  
14 hemp be produced in compliance with:

15 (1) that state or jurisdiction's plan approved by the  
16 United States Department of Agriculture under 7 U.S.C. Section  
17 1639p; or

18 (2) a plan established under 7 U.S.C. Section 1639q if  
19 that plan applies in the state or jurisdiction.

20 (d) The department shall maintain and make available to  
21 license holders a list of hemp seeds certified or approved under  
22 this section.

23 Sec. 122.253. PROHIBITED USE OF CERTAIN HEMP SEED. A person  
24 may not sell, offer for sale, distribute, or use hemp seed in this  
25 state unless the seed is certified or approved under Section  
26 122.252.

1           SUBCHAPTER G. NONCONSUMABLE HEMP PRODUCTS

2           Sec. 122.301. MANUFACTURE. (a) Except as provided by  
3 Subsection (b), a state agency may not prohibit a person who  
4 manufactures a product regulated by the agency, other than an  
5 article regulated under Chapter 431, Health and Safety Code, from  
6 applying for or obtaining a permit or other authorization to  
7 manufacture the product solely on the basis that the person intends  
8 to manufacture the product as a nonconsumable hemp product.

9           (b) A state agency may not authorize a person to manufacture  
10 a product containing hemp for smoking, as defined by Section  
11 443.001, Health and Safety Code.

12           Sec. 122.302. POSSESSION, TRANSPORTATION, AND SALE. (a)  
13 Notwithstanding any other law, a person may possess, transport,  
14 sell, and purchase legally produced nonconsumable hemp products in  
15 this state.

16           (b) The department by rule must provide to a retailer of  
17 nonconsumable hemp products fair notice of a potential violation  
18 concerning hemp products sold by the retailer and an opportunity to  
19 cure a violation made unintentionally or negligently.

20           Sec. 122.303. RETAIL SALE OF OUT-OF-STATE PRODUCTS. A  
21 nonconsumable hemp product manufactured outside of this state may  
22 be sold at retail in this state unless:

23           (1) the hemp used to manufacture the product was  
24 cultivated illegally; or

25           (2) the retail sale of the product in this state  
26 violates federal law.

27           Sec. 122.304. TRANSPORTATION AND EXPORTATION OUT OF STATE.

1 Nonconsumable hemp products may be legally transported across state  
2 lines and exported to foreign jurisdictions in a manner that is  
3 consistent with federal law and the laws of respective foreign  
4 jurisdictions.

5 SUBCHAPTER H. TRANSPORTATION REQUIREMENTS

6 Sec. 122.351. DEFINITION. In this subchapter, "peace  
7 officer" has the meaning assigned by Article 2.12, Code of Criminal  
8 Procedure.

9 Sec. 122.352. POLICY. It is the policy of this state to not  
10 interfere with the interstate commerce of hemp or the transshipment  
11 of hemp through this state.

12 Sec. 122.353. INTERSTATE TRANSPORTATION. To the extent of  
13 a conflict between a provision of this chapter and a provision of  
14 federal law involving interstate transportation of hemp, including  
15 a United States Department of Agriculture regulation, federal law  
16 controls and conflicting provisions of this chapter do not apply.

17 Sec. 122.354. DEPARTMENT RULES. The department, in  
18 consultation with the Department of Public Safety, shall adopt  
19 rules regulating the transportation of hemp in this state to ensure  
20 that illegal marihuana is not transported into or through this  
21 state disguised as legal hemp.

22 Sec. 122.355. HEMP TRANSPORTATION ACCOUNT. (a) The hemp  
23 transportation account is a dedicated account in the general  
24 revenue fund administered by the department. The account consists  
25 of:

26 (1) civil penalties collected under this subchapter;

27 and

1           (2) interest and income earned on the investment of  
2 money in the account.

3           (b) Money in the account may be appropriated only to the  
4 department for the administration and enforcement of this  
5 subchapter. The department may transfer money appropriated under  
6 this subsection to the Department of Public Safety for the  
7 administration and enforcement of that department's powers and  
8 duties under this subchapter, unless prohibited by other law.

9           Sec. 122.356. DOCUMENTATION AND OTHER SHIPPING  
10 REQUIREMENTS. (a) A person may not transport hemp plant material  
11 in this state unless the hemp:

12                   (1) is produced in compliance with:

13                           (A) a state or tribal plan approved by the United  
14 States Department of Agriculture under 7 U.S.C. Section 1639p; or

15                           (B) a plan established under 7 U.S.C. Section  
16 1639q if the hemp was cultivated in an area where that plan applies;  
17 and

18                   (2) is accompanied by:

19                           (A) a shipping certificate or cargo manifest  
20 issued under Section 122.055 if the hemp originated in this state;

21 or

22                           (B) documentation containing the name and  
23 address of the place where the hemp was cultivated and a statement  
24 that the hemp was produced in compliance with 7 U.S.C. Chapter 38,  
25 Subchapter VII, if the hemp originated outside this state.

26           (b) A person transporting hemp plant material in this state:

27                   (1) may not concurrently transport any cargo that is

1 not hemp plant material; and

2 (2) shall furnish the documentation required by this  
3 section to the department or any peace officer on request.

4 Sec. 122.357. AGRICULTURAL PESTS AND DISEASES. A person  
5 may not transport in this state hemp that contains an agricultural  
6 pest or disease as provided by department rule.

7 Sec. 122.358. POWERS AND DUTIES OF PEACE OFFICERS. (a) A  
8 peace officer may inspect and collect a reasonably sized sample of  
9 any material from the plant Cannabis sativa L. found in a vehicle to  
10 determine the delta-9 tetrahydrocannabinol concentration of the  
11 plant material. Unless a peace officer has probable cause to  
12 believe the plant material is marihuana, the peace officer may not:

13 (1) seize the plant material; or

14 (2) arrest the person transporting the plant material.

15 (b) A peace officer may detain any hemp being transported in  
16 this state until the person transporting the hemp provides the  
17 documentation required by Section 122.356. The peace officer shall  
18 immediately release the hemp to the person if the person produces  
19 documentation required by that section.

20 (c) If a peace officer has probable cause to believe that a  
21 person transporting hemp in this state is also transporting  
22 marihuana or a controlled substance, as defined by Section 481.002,  
23 Health and Safety Code, or any other illegal substance under state  
24 or federal law, the peace officer may seize and impound the hemp  
25 along with the controlled or illegal substance.

26 (d) This subchapter does not limit or restrict a peace  
27 officer from enforcing to the fullest extent the laws of this state

1 regulating marihuana and controlled substances, as defined by  
2 Section 481.002, Health and Safety Code.

3 Sec. 122.359. CIVIL PENALTY. (a) A person who violates  
4 Section 122.356 is liable to this state for a civil penalty in an  
5 amount not to exceed \$500 for each violation.

6 (b) The attorney general or any district or county attorney  
7 may bring an action to recover the civil penalty.

8 (c) A civil penalty collected under this section must be  
9 deposited in the hemp transportation account under Section 122.355.

10 Sec. 122.360. CRIMINAL OFFENSE. (a) A person commits an  
11 offense if the person violates Section 122.356.

12 (b) An offense under this section is a misdemeanor  
13 punishable by a fine of not more than \$1,000.

14 SUBCHAPTER I. ENFORCEMENT; PENALTIES

15 Sec. 122.401. PENALTY SCHEDULE. (a) The department by rule  
16 shall adopt a schedule of sanctions and penalties for violations of  
17 this chapter and rules adopted under this chapter that does not  
18 conflict with 7 U.S.C. Section 1639p(e).

19 (b) A penalty collected under this chapter other than a  
20 civil penalty collected under Subchapter H must be deposited in the  
21 state hemp production account under Section 122.003.

22 Sec. 122.402. ADMINISTRATIVE PENALTY. Except as provided  
23 by Section 122.403 and to the extent permitted under 7 U.S.C.  
24 Section 1639p(e), the department may impose an administrative  
25 penalty or other administrative sanction for a violation of this  
26 chapter or a rule or order adopted under this chapter, including a  
27 penalty or sanction under Section 12.020 or 12.0201.

1       Sec. 122.403. NEGLIGENT VIOLATIONS BY LICENSE HOLDER. (a)

2 If the department determines that a license holder negligently  
3 violated this chapter or a rule adopted under this chapter, the  
4 department shall enforce the violation in the manner provided by  
5 U.S.C. Section 1639p(e).

6       (b) A license holder described by Subsection (a) is not  
7 subject to a civil, criminal, or administrative enforcement action  
8 other than an enforcement action provided by this chapter.

9       (c) A license holder who violates this chapter by  
10 cultivating plants described by Section 122.202(b)(2):

11           (1) must comply with an enhanced testing protocol  
12 developed by the department;

13           (2) shall pay a fee in the amount of \$500 for each  
14 violation to cover the department's costs of administering the  
15 enhanced testing protocol; and

16           (3) shall be included on a list maintained by the  
17 department of license holders with negligent violations, which is  
18 public information for purposes of Chapter 552, Government Code.

19       (d) A person who negligently violates this chapter three  
20 times in any five-year period may not cultivate, process, or  
21 otherwise produce hemp in this state before the fifth anniversary  
22 of the date of the third violation. The department shall include  
23 each person subject to this subsection on a list of banned  
24 producers, which is public information for purposes of Chapter 552,  
25 Government Code.

26       Sec. 122.404. OTHER VIOLATIONS BY LICENSE HOLDER. If the  
27 department suspects or determines that a license holder violated

1 this chapter or a rule adopted under this chapter with a culpable  
2 mental state greater than negligence, the department shall  
3 immediately report the license holder to:

4 (1) the United States attorney general; and

5 (2) the attorney general of this state, who may:

6 (A) investigate the violation;

7 (B) institute proceedings for injunctive or  
8 other appropriate relief on behalf of the department; or

9 (C) report the matter to the Department of Public  
10 Safety and any other appropriate law enforcement agency.

11 SECTION 3. Subchapter A, Chapter 141, Agriculture Code, is  
12 amended by adding Section 141.008 to read as follows:

13 Sec. 141.008. HEMP IN COMMERCIAL FEED. The service may  
14 adopt rules authorizing, defining, and controlling the use of hemp  
15 and hemp products in commercial feed.

16 SECTION 4. Subchapter A, Chapter 431, Health and Safety  
17 Code, is amended by adding Section 431.011 to read as follows:

18 Sec. 431.011. APPLICABILITY OF CHAPTER TO CONSUMABLE HEMP  
19 PRODUCTS AND MANUFACTURERS. (a) This chapter applies to a  
20 consumable hemp product subject to Chapter 443. An article  
21 regulated under this chapter may not be deemed to be adulterated  
22 solely on the basis that the article is a consumable hemp product.

23 (b) Except as provided by Subsection (c), this chapter  
24 applies to the conduct of a person who holds a license under Chapter  
25 443.

26 (c) A person who holds a license under Chapter 443 related  
27 to the processing of hemp or the manufacturing of a consumable hemp



1 product regulated under that chapter and is engaging in conduct  
2 within the scope of that license is not required to hold a license  
3 as a food manufacturer or food wholesaler under Subchapter J.

4 SECTION 5. Section 431.043, Health and Safety Code, is  
5 amended to read as follows:

6 Sec. 431.043. ACCESS TO RECORDS. A person who is required  
7 to maintain records under this chapter or Section 519 or 520(g) of  
8 the federal Act or a person who is in charge or custody of those  
9 records shall, at the request of the department or a health  
10 authority, permit the department or health authority at all  
11 reasonable times access to and to copy and verify the records,  
12 including records that verify that the hemp in a consumable hemp  
13 product was produced in accordance with Chapter 122, Agriculture  
14 Code, or 7 U.S.C. Chapter 38, Subchapter VII.

15 SECTION 6. Section 431.2211, Health and Safety Code, is  
16 amended by adding Subsection (a-3) to read as follows:

17 (a-3) A person is not required to hold a license under this  
18 subchapter if the person holds a license under Chapter 443 and is  
19 engaging in conduct within the scope of that license.

20 SECTION 7. Subtitle A, Title 6, Health and Safety Code, is  
21 amended by adding Chapter 443 to read as follows:

22 CHAPTER 443. MANUFACTURE, DISTRIBUTION, AND SALE OF CONSUMABLE

23 HEMP PRODUCTS

24 SUBCHAPTER A. GENERAL PROVISIONS

25 Sec. 443.001. DEFINITIONS. In this chapter:

26 (1) "Consumable hemp product" means food, a drug, a  
27 device, or a cosmetic, as those terms are defined by Section

1 431.002, that contains hemp or one or more hemp-derived  
2 cannabinoids, including cannabidiol.

3 (2) "Department" means the Department of State Health  
4 Services.

5 (3) "Establishment" means each location where a person  
6 processes hemp or manufactures a consumable hemp product.

7 (4) "Executive commissioner" means the executive  
8 commissioner of the Health and Human Services Commission.

9 (5) "Hemp" has the meaning assigned by Section  
10 121.001, Agriculture Code.

11 (6) "License" means a consumable hemp product  
12 manufacturer's license issued under this chapter.

13 (7) "License holder" means an individual or business  
14 entity holding a license.

15 (8) "Manufacture" has the meaning assigned by Section  
16 431.002.

17 (9) "Process" means to extract a component of hemp,  
18 including cannabidiol or another cannabinoid, that is:

19 (A) sold as a consumable hemp product;

20 (B) offered for sale as a consumable hemp  
21 product;

22 (C) incorporated into a consumable hemp product;

23 or

24 (D) intended to be incorporated into a consumable  
25 hemp product.

26 (10) "QR code" means a quick response machine-readable  
27 code that can be read by a camera, consisting of an array of black

1 and white squares used for storing information or directing or  
2 leading a user to additional information.

3 (11) "Smoking" means burning or igniting a substance  
4 and inhaling the smoke or heating a substance and inhaling the  
5 resulting vapor or aerosol.

6 Sec. 443.002. APPLICABILITY OF OTHER LAW. Except as  
7 provided by Section 431.011(c), Chapter 431 applies to a license  
8 holder and a consumable hemp product regulated under this chapter.

9 Sec. 443.003. LOCAL REGULATION PROHIBITED. A municipality,  
10 county, or other political subdivision of this state may not enact,  
11 adopt, or enforce a rule, ordinance, order, resolution, or other  
12 regulation that prohibits the processing of hemp or the  
13 manufacturing or sale of a consumable hemp product as authorized by  
14 this chapter.

15 Sec. 443.004. SEVERABILITY. (a) A provision of this  
16 chapter or its application to any person or circumstance is invalid  
17 if the secretary of the United States Department of Agriculture  
18 determines that the provision or application conflicts with 7  
19 U.S.C. Chapter 38, Subchapter VII, and prevents the approval of the  
20 state plan submitted under Chapter 121, Agriculture Code.

21 (b) The invalidity of a provision or application under  
22 Subsection (a) does not affect the other provisions or applications  
23 of this chapter that can be given effect without the invalid  
24 provision or application, and to this end the provisions of this  
25 chapter are declared to be severable.

26 SUBCHAPTER B. POWERS AND DUTIES

27 Sec. 443.051. RULEMAKING AUTHORITY OF EXECUTIVE

1 COMMISSIONER. The executive commissioner shall adopt rules and  
2 procedures necessary to administer and enforce this chapter. Rules  
3 and procedures adopted under this section must be consistent with:

4 (1) an approved state plan submitted to the United  
5 States Department of Agriculture under Chapter 121, Agriculture  
6 Code; and

7 (2) 7 U.S.C. Chapter 38, Subchapter VII, and federal  
8 regulations adopted under that subchapter.

9 SUBCHAPTER C. CONSUMABLE HEMP PRODUCT MANUFACTURER LICENSE

10 Sec. 443.101. LICENSE REQUIRED; EXCEPTIONS. A person may  
11 not process hemp or manufacture a consumable hemp product in this  
12 state unless the person holds a license under this subchapter.

13 Sec. 443.102. LICENSE INELIGIBILITY. (a) An individual  
14 who is or has been convicted of a felony relating to a controlled  
15 substance under federal law or the law of any state may not, before  
16 the 10th anniversary of the date of the conviction:

17 (1) hold a license under this subchapter; or

18 (2) be a governing person of an establishment that  
19 holds a license under this subchapter.

20 (b) The department may not issue a license under this  
21 subchapter to a person who materially falsifies any information  
22 contained in an application submitted to the department under  
23 Section 443.103.

24 Sec. 443.103. APPLICATION; ISSUANCE. An individual or  
25 establishment may apply for a license under this subchapter by  
26 submitting an application to the department on a form and in the  
27 manner prescribed by the department. The application must be

1 accompanied by:

2 (1) a legal description of each location where the  
3 applicant intends to process hemp or manufacture consumable hemp  
4 products and the global positioning system coordinates for the  
5 perimeter of each location;

6 (2) written consent from the applicant or the property  
7 owner if the applicant is not the property owner allowing the  
8 department, the Department of Public Safety, and any other state or  
9 local law enforcement agency to enter onto all premises where hemp  
10 is processed or consumable hemp products are manufactured to  
11 conduct a physical inspection or to ensure compliance with this  
12 chapter and rules adopted under this chapter;

13 (3) any fees required by the department to be  
14 submitted with the application; and

15 (4) any other information required by department rule.

16 Sec. 443.104. TERM; RENEWAL. (a) A license is valid for  
17 one year and may be renewed as provided by this section.

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

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

22 (2) submits to the department any license renewal fee;  
23 and

24 (3) does not owe any outstanding fees to the  
25 department.

26 Sec. 443.105. REVOCATION. The department shall revoke a  
27 license if the license holder is convicted of a felony relating to a

1 controlled substance under federal law or the law of any state.

2 SUBCHAPTER D. TESTING OF CONSUMABLE HEMP PRODUCTS

3 Sec. 443.151. TESTING REQUIRED. (a) A consumable hemp  
4 product must be tested as provided by:

5 (1) Subsections (b) and (c); or

6 (2) Subsection (d).

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

11 (1) the concentration of various cannabinoids; and

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

14 (c) Before material extracted from hemp by processing is  
15 sold as, offered for sale as, or incorporated into a consumable hemp  
16 product, the material must be tested, as required by the executive  
17 commissioner, to determine:

18 (1) the presence of harmful microorganisms; and

19 (2) the presence or quantity of:

20 (A) any residual solvents used in processing, if  
21 applicable; and

22 (B) any other substance prescribed by the  
23 department.

24 (d) Except as otherwise provided by Subsection (e), before a  
25 consumable hemp product is sold at retail or otherwise introduced  
26 into commerce in this state, a sample representing the hemp product  
27 must be tested:

1           (1) by a laboratory that is accredited by an  
2 accreditation body in accordance with International Organization  
3 for Standardization ISO/IEC 17025 or a comparable or successor  
4 standard to determine the delta-9 tetrahydrocannabinol  
5 concentration of the product; and

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

9           (e) A consumable hemp product is not required to be tested  
10 under Subsection (d) if each hemp-derived ingredient of the  
11 product:

12                   (1) has been tested in accordance with:

13                           (A) Subsections (b) and (c); or

14                           (B) Subsection (d); and

15           (2) does not have a delta-9 tetrahydrocannabinol  
16 concentration of more than 0.3 percent.

17           Sec. 443.152. PROVISIONS RELATED TO TESTING. (a) A  
18 consumable hemp product that has a delta-9 tetrahydrocannabinol  
19 concentration of more than 0.3 percent may not be sold at retail or  
20 otherwise introduced into commerce in this state.

21           (b) A person licensed under Chapter 122, Agriculture Code,  
22 shall provide to a license holder who is processing hemp harvested  
23 by the person or otherwise using that hemp to manufacture a  
24 consumable hemp product the results of a test conducted under that  
25 chapter, if available, as proof that the delta-9  
26 tetrahydrocannabinol concentration of the hemp does not exceed 0.3  
27 percent, including for purposes of Section 443.151(b)(1).

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

9       SUBCHAPTER E. RETAIL SALE OF CONSUMABLE HEMP PRODUCTS

10       Sec. 443.201. POSSESSION, TRANSPORTATION, AND SALE OF  
11 CONSUMABLE HEMP PRODUCTS. (a) A person may possess, transport,  
12 sell, or purchase a consumable hemp product processed or  
13 manufactured in compliance with this chapter.

14       (b) The executive commissioner by rule must provide to a  
15 retailer of consumable hemp products fair notice of a potential  
16 violation concerning consumable hemp products sold by the retailer  
17 and an opportunity to cure a violation made unintentionally or  
18 negligently.

19       Sec. 443.202. REGULATION OF CERTAIN CANNABINOID OILS. (a)  
20 This section does not apply to low-THC cannabis regulated under  
21 Chapter 487.

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

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



1 and

2 (2) unless a sample representing the oil has been  
3 tested by a laboratory that is accredited by an independent  
4 accreditation body in accordance with International Organization  
5 for Standardization ISO/IEC 17025 or a comparable or successor  
6 standard and found to have a delta-9 tetrahydrocannabinol  
7 concentration of not more than 0.3 percent.

8 (c) The department and the Department of Public Safety shall  
9 establish a process for the random testing of cannabinoid oil,  
10 including cannabidiol oil, at various retail and other  
11 establishments that sell, offer for sale, distribute, or use the  
12 oil to ensure that the oil:

13 (1) does not contain harmful ingredients;

14 (2) is produced in compliance with 7 U.S.C. Chapter  
15 38, Subchapter VII; and

16 (3) has a delta-9 tetrahydrocannabinol concentration  
17 of not more than 0.3 percent.

18 Sec. 443.2025. REGISTRATION REQUIRED FOR RETAILERS OF  
19 CERTAIN PRODUCTS. (a) This section does not apply to low-THC  
20 cannabis regulated under Chapter 487.

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

27 (c) The department may issue a single registration under

1 Subsection (b) covering multiple locations owned, operated, or  
2 controlled by a person.

3 (d) A person is not required to register with the department  
4 under Subsection (b) if the person is:

5 (1) an employee of a registrant; or

6 (2) an independent contractor of a registrant who  
7 sells the registrant's products at retail.

8 (e) A registration is valid for one year and may be renewed  
9 as prescribed by department rule.

10 (f) The department by rule may adopt a registration fee  
11 schedule that establishes reasonable fee amounts for the  
12 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 implement and  
19 administer this section.

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

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

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

4 (1) contains harmful ingredients;

5 (2) is not produced in compliance with 7 U.S.C.  
6 Chapter 38, Subchapter VII; or

7 (3) has a delta-9 tetrahydrocannabinol concentration  
8 of more than 0.3 percent.

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

13 (1) hemp-derived cannabinoids, including cannabidiol,  
14 are not considered controlled substances or adulterants;

15 (2) products containing one or more hemp-derived  
16 cannabinoids, such as cannabidiol, intended for ingestion are  
17 considered foods, not controlled substances or adulterated  
18 products;

19 (3) consumable hemp products must be packaged and  
20 labeled in the manner provided by Section 443.205; and

21 (4) the processing or manufacturing of a consumable  
22 hemp product for smoking is prohibited.

23 Sec. 443.205. PACKAGING AND LABELING REQUIREMENTS. (a)  
24 Before a consumable hemp product that contains or is marketed as  
25 containing more than trace amounts of cannabinoids may be  
26 distributed or sold, the product must be labeled in the manner  
27 provided by this section with the following information:

1           (1) batch identification number;  
2           (2) batch date;  
3           (3) product name;  
4           (4) a uniform resource locator (URL) that provides or  
5 links to a certificate of analysis for the product or each  
6 hemp-derived ingredient of the product;  
7           (5) the name of the product's manufacturer; and  
8           (6) a certification that the delta-9  
9 tetrahydrocannabinol concentration of the product or each  
10 hemp-derived ingredient of the product is not more than 0.3  
11 percent.

12           (b) The label required by Subsection (a) may be in the form  
13 of:

14           (1) a uniform resource locator (URL) for the  
15 manufacturer's Internet website that provides or links to the  
16 information required by that subsection; and

17           (2) a QR code or other bar code that may be scanned and  
18 that leads to the information required by that subsection.

19           (c) The label required by Subsection (a) must appear on each  
20 unit of the product intended for individual retail sale. If that  
21 unit includes inner and outer packaging, the label may appear on any  
22 of that packaging.

23           (d) This section does not apply to sterilized seeds  
24 incapable of beginning germination.

25           Sec. 443.206. RETAIL SALE OF OUT-OF-STATE CONSUMABLE HEMP  
26 PRODUCTS. Retail sales of consumable hemp products processed or  
27 manufactured outside of this state may be made in this state when

1 the products were processed or manufactured in another state or  
2 jurisdiction in compliance with:

3 (1) that state or jurisdiction's plan approved by the  
4 United States Department of Agriculture under 7 U.S.C. Section  
5 1639p;

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

8 (3) the laws of that state or jurisdiction if the  
9 products are tested in accordance with, or in a manner similar to,  
10 Section 443.151.

11 Sec. 443.207. TRANSPORTATION AND EXPORTATION OF CONSUMABLE  
12 HEMP PRODUCTS OUT OF STATE. Consumable hemp products may be legally  
13 transported across state lines and exported to foreign  
14 jurisdictions in a manner that is consistent with federal law and  
15 the laws of respective foreign jurisdictions.

16 SECTION 8. Sections 481.002(5) and (26), Health and Safety  
17 Code, are amended to read as follows:

18 (5) "Controlled substance" means a substance,  
19 including a drug, an adulterant, and a dilutant, listed in  
20 Schedules I through V or Penalty Group 1, 1-A, 2, 2-A, 3, or 4. The  
21 term includes the aggregate weight of any mixture, solution, or  
22 other substance containing a controlled substance. The term does  
23 not include hemp, as defined by Section 121.001, Agriculture Code,  
24 or the tetrahydrocannabinols in hemp.

25 (26) "Marihuana" means the plant *Cannabis sativa* L.,  
26 whether growing or not, the seeds of that plant, and every compound,  
27 manufacture, salt, derivative, mixture, or preparation of that

1 plant or its seeds. The term does not include:

2 (A) the resin extracted from a part of the plant  
3 or a compound, manufacture, salt, derivative, mixture, or  
4 preparation of the resin;

5 (B) the mature stalks of the plant or fiber  
6 produced from the stalks;

7 (C) oil or cake made from the seeds of the plant;

8 (D) a compound, manufacture, salt, derivative,  
9 mixture, or preparation of the mature stalks, fiber, oil, or cake;  
10 [~~or~~]

11 (E) the sterilized seeds of the plant that are  
12 incapable of beginning germination; or

13 (F) hemp, as that term is defined by Section  
14 121.001, Agriculture Code.

15 SECTION 9. (a) Not later than the 90th day after the  
16 effective date of this Act, the Department of Agriculture shall  
17 submit for approval a state plan to the secretary of the United  
18 States Department of Agriculture as provided by Section 121.003,  
19 Agriculture Code, as added by this Act.

20 (b) The Department of Agriculture shall submit amended  
21 state plans as provided by Section 121.003(c), Agriculture Code, as  
22 added by this Act, as necessary until the plan is approved.

23 (c) As soon as practicable after the effective date of this  
24 Act, the executive commissioner of the Health and Human Services  
25 Commission shall adopt rules necessary to implement the changes in  
26 law made by this Act.

27 SECTION 10. The Department of Agriculture and the

1 Department of State Health Services shall begin implementing the  
2 state plan approved by the secretary of the United States  
3 Department of Agriculture not later than the 30th day after the date  
4 on which the state plan is approved and shall fully implement the  
5 state plan as soon as practicable after the state plan is approved.

6 SECTION 11. Notwithstanding Chapter 443, Health and Safety  
7 Code, as added by this Act, a retailer may possess, transport, or  
8 sell a consumable hemp product, as defined by Section 443.001,  
9 Health and Safety Code, as added by this Act, that becomes part of  
10 the retailer's inventory before rules under Section 443.051, Health  
11 and Safety Code, as added by this Act, become effective unless the  
12 product:

13 (1) is unsafe for consumption based on the presence or  
14 quantity of heavy metals, pesticides, harmful microorganisms, or  
15 residual solvents; or

16 (2) has a delta-9 tetrahydrocannabinol concentration  
17 of more than 0.3 percent.

18 SECTION 12. Notwithstanding Section 443.2025, Health and  
19 Safety Code, as added by this Act, a person is not required to  
20 register a location to sell a consumable hemp product containing  
21 cannabidiol at retail in this state before the 60th day after the  
22 date the Department of State Health Services begins issuing  
23 registrations.

24 SECTION 13. This Act takes effect immediately if it  
25 receives a vote of two-thirds of all the members elected to each  
26 house, as provided by Section 39, Article III, Texas Constitution.  
27 If this Act does not receive the vote necessary for immediate

H.B. No. 1325

1 effect, this Act takes effect September 1, 2019.



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President of the Senate

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Speaker of the House

I certify that H.B. No. 1325 was passed by the House on April 24, 2019, by the following vote: Yeas 144, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1325 on May 22, 2019, by the following vote: Yeas 140, Nays 3, 2 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 1325 was passed by the Senate, with amendments, on May 15, 2019, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor