

BILL ANALYSIS

Senate Research Center
89R13474 RDR-F

S.B. 1505
By: Perry
State Affairs
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1505 seeks to modernize the Texas Compassionate-Use Program (TCUP) by creating dispensing organization satellite locations to improve the transportation and overnight storage of prescriptions. Additionally, the bill allows the Department of Public Safety of the State of Texas to grant up to six TCUP dispensing licenses, currently there are three. The goal is that an increased number of satellite locations and additional licenses will help ensure there is adequate access to the program across the state.

Furthermore, the bill clarifies that there can be up to 5 milligrams of THC per dosage unit. A package or container may not contain more than 300 milligrams of THC and a patient may not possess more than a 90-day supply of low-THC cannabis.

S.B. 1505 will also allow for the administration of low-THC cannabis through the use of pulmonary inhalation. This new delivery method will allow patients to utilize a rapid response administration method if needed for their particular medical condition.

As proposed, S.B. 1505 amends current law relating to the medical use of low-THC cannabis under and the administration of the Texas Compassionate-Use Program.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Department of Public Safety of the State of Texas in SECTION 3 (Section 487.1035, Health and Safety Code) and SECTION 5 (Section 487.1045, Health and Safety Code) of this bill.

Rulemaking authority is expressly granted to the executive commissioner of the Health and Human Services Commission in SECTION 10 (Section 169.006, Occupations Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 487.101, Health and Safety Code, as follows:

Sec. 487.101. LICENSE REQUIRED. (a) Creates this subsection from existing text and makes a nonsubstantive change.

(b) Provides that a dispensing organization licensed under Chapter 487 (Texas Compassionate-Use Act) is not required to apply for an additional license for the use of a satellite location for secure storage of low-THC cannabis, if the address of the satellite location was included in the application or the dispensing organization obtains approval from the Department of Public Safety of the State of Texas (DPS) under Section 487.1035.

SECTION 2. Amends Section 487.103(b), Health and Safety Code, to require that the application for a license to operate as a dispensing organization include certain information, including the address of any satellite location that will be used by the applicant for secure storage of low-THC cannabis under Section 487.1035.

SECTION 3. Amends Subchapter C, Chapter 487, Health and Safety Code, by adding Section 487.1035, as follows:

Sec. 487.1035. SATELLITE LOCATIONS. (a) Authorizes a dispensing organization licensed under this chapter to operate one or more satellite locations in addition to the organization's primary location to securely store low-THC cannabis for distribution.

(b) Requires that a satellite location be approved by DPS before a dispensing organization is authorized to operate the location. Authorizes a dispensing organization to apply for approval in the form and manner prescribed by DPS.

(c) Requires DPS to adopt rules regarding the design and security requirements for satellite locations.

SECTION 4. Amends Section 487.104, Health and Safety Code, by adding Subsections (d) and (e), as follows:

(d) Authorizes DPS to issue not more than six licenses under Section 487.104 (Issuance, Renewal, or Denial of License) for dispensing organizations in this state.

(e) Authorizes DPS to issue and renew licenses under this section in a manner that ensures adequate access to low-THC cannabis for patients registered in the compassionate-use registry in each public health region designated under Section 121.007 (Public Health Regions).

SECTION 5. Amends Subchapter C, Chapter 487, Health and Safety Code, by adding Section 487.1045, as follows:

Sec. 487.1045. REQUIREMENT OF LICENSE HOLDER TO BEGIN AND MAINTAIN OPERATIONS. (a) Requires an applicant issued a license to operate a dispensing organization to begin dispensing low-THC cannabis not later than 24 months after the date the license is issued and continue dispensing low-THC cannabis during the term of a license issued under Subchapter C (License to Operate as Dispensing Organization).

(b) Requires DPS to adopt rules to monitor whether a dispensing organization is using a license issued under this subchapter to dispense low-THC cannabis and revoke the license of a dispensing organization that does not dispense low-THC cannabis within the time required by this section or that discontinues dispensing low-THC cannabis during the term of a license.

SECTION 6. Amends Section 487.107, Health and Safety Code, by adding Subsection (c) to prohibit a dispensing organization from dispensing to a person low-THC cannabis in a package or container that contains more than a total of 300 milligrams of tetrahydrocannabinols.

SECTION 7. Amends Section 487.201, Health and Safety Code, as follows:

Sec. 487.201. COUNTIES AND MUNICIPALITIES MAY NOT PROHIBIT LOW-THC CANNABIS. Prohibits a municipality, county, or other political subdivision from enacting, adopting, or enforcing a rule, ordinance, order, resolution, or other regulation that prohibits certain actions, including the storage of low-THC cannabis, as authorized by this chapter.

SECTION 8. Amends Sections 169.001(3), (4), and (5), Occupations Code, to redefine "low-THC cannabis," "medical use," and "smoking."

SECTION 9. Amends Section 169.003, Occupations Code, as follows:

Sec. 169.003. PRESCRIPTION OF LOW-THC CANNABIS. (a) Creates this subsection from existing text and makes no further changes.

(b) Provides that each prescription issued by a physician to a patient for low-THC cannabis is authorized only to provide for a 90-day supply of low-THC cannabis based on the dosage prescribed to the patient.

SECTION 10. Amends Chapter 169, Occupations Code, by adding Section 169.006, as follows:

Sec. 169.006. ADMINISTRATION OF LOW-THC CANNABIS BY PULMONARY INHALATION. (a) Authorizes a physician to prescribe pulmonary inhalation of an aerosol or vapor as a means of administration of low-THC cannabis if the physician determines that based on the patient's condition there is a medical necessity for that means of administration.

(b) Requires the executive commissioner of the Health and Human Services Commission (executive commissioner) to adopt rules related to medical devices for pulmonary inhalation of low-THC cannabis.

SECTION 11. Provides that, not later than October 1, 2025:

- (1) DPS is required to adopt the rules necessary to implement Sections 487.1035 and 487.1045, Health and Safety Code, as added by this Act; and
- (2) the executive commissioner is required to adopt the rules necessary to implement Section 169.006, Occupations Code, as added by this Act.

SECTION 12. Effective date: September 1, 2025.