

SENATE JOURNAL

EIGHTY-NINTH LEGISLATURE — REGULAR SESSION

AUSTIN, TEXAS

PROCEEDINGS

FORTY-FOURTH DAY

(Sunday, May 25, 2025)

The Senate met at 5:45 p.m. pursuant to adjournment and was called to order by President Pro Tempore Creighton.

The roll was called and the following Senators were present: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Creighton, Eckhardt, Flores, Gutierrez, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, Johnson, King, Kolkhorst, Menéndez, Middleton, Miles, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, West, Zaffirini.

The President Pro Tempore announced that a quorum of the Senate was present.

Senator Middleton offered the invocation as follows:

Heavenly Father, thank You for blessing us with the greatest state in the Union and as we enter into these final few days, may You give us the discernment and the wisdom to make decisions for our constituents, for our districts, for our state, but most of all decisions that bring honor and glory to You. And please help us remember that we are saved by grace through faith and this is not from ourselves, it is a gift from God and not by works so that no man or woman may boast. And, heavenly Father, please help us remember in these final days that it is by grace You've given us these positions and that we do not put of the earth decisions above what is right and that You've placed us in this position of trust, fate, and of our beliefs. It is God's grace that has shone down on the great State of Texas. In Jesus' name we pray. Amen.

Senator Zaffirini moved that the reading of the Journal of the proceedings of the previous day be dispensed with and the Journal be approved as printed.

The motion prevailed without objection.

SENATE RULE 5.14(a) SUSPENDED
(Intent Calendar)
(Motion In Writing)

Senator Zaffirini submitted the following Motion In Writing:

Mr. President:

I move suspension of Senate Rule 5.14, the Intent Calendar Rule, in order to move the Intent Calendar deadline to 8:00 p.m. today. I further move that the rule be suspended to allow the Secretary of the Senate to make the calendar available as soon as practicable.

ZAFFIRINI

The Motion In Writing was read and prevailed without objection.

BILLS SIGNED

The President Pro Tempore announced the signing of the following enrolled bills in the presence of the Senate after the captions had been read:

HB 1393, HB 1734, HB 1894, HB 1965, HB 2286, HB 2467, HB 2468, HB 2529, HB 2564, HB 2760, HB 2765, HB 2842, HB 2898, HB 3088, HB 3146, HB 3479, HB 3575, HB 3687, HB 3788, HB 3800, HB 4490, HB 5057, HB 5534, HB 5668. HB 12, HB 33, HB 34, HB 39, HB 45, HB 47, HB 130, HB 148, HB 285, HB 305, HB 742, HB 908, HB 1024, HB 1318, HB 1443, HB 1533, HB 1866, HB 1902, HB 2001, HB 2355, HB 2402, HB 2434, HB 2440, HB 2492, HB 2560, HB 2697, HB 2733, HB 2775, HB 2802, HB 2894, HB 3161, HB 3228, HB 3421, HB 3424, HB 3510, HB 3986, HB 4042, HB 4076, HB 4238, HB 4344, HB 4413, HB 4426, HB 4429, HB 4783, HB 4850, HB 4945, HB 4996, HB 5515.

INTRODUCTION OF BILLS AND RESOLUTIONS POSTPONED

The President Pro Tempore announced that the introduction of bills and resolutions on first reading would be postponed until the end of today's calendar.

There was no objection.

CONCLUSION OF MORNING CALL

The President Pro Tempore at 6:00 p.m. announced the conclusion of morning call.

HOUSE BILL 1562 ON SECOND READING

Senator Zaffirini moved to suspend the regular order of business to take up for consideration **HB 1562** at this time on its second reading:

HB 1562, Relating to massage student permits.

The motion prevailed.

Senator Hagenbuch asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hagenbuch.

HOUSE BILL 1562 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1562** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Hagenbuch.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 3680 ON SECOND READING

Senator A. Hinojosa moved to suspend the regular order of business to take up for consideration **HB 3680** at this time on its second reading:

HB 3680, Relating to subdivision plat requirements in certain counties; authorizing a fee; authorizing a civil penalty; creating a criminal offense.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Creighton, Eckhardt, Flores, Gutierrez, Hall, A. Hinojosa, J. Hinojosa, Huffman, Johnson, King, Kolkhorst, Menéndez, Middleton, Miles, Nichols, Parker, Paxton, Perry, Schwertner, West, Zaffirini.

Nays: Hagenbuch, Hancock, Hughes, Sparks.

The bill was read second time and was passed to third reading by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

HOUSE BILL 3680 ON THIRD READING

Senator A. Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3680** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Creighton, Eckhardt, Flores, Gutierrez, Hall, A. Hinojosa, J. Hinojosa, Huffman, Johnson, King, Kolkhorst, Menéndez, Middleton, Miles, Nichols, Parker, Paxton, Perry, Schwertner, West, Zaffirini.

Nays: Hagenbuch, Hancock, Hughes, Sparks.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

HOUSE BILL 647 ON SECOND READING

On motion of Senator Hagenbuch and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 647** at this time on its second reading:

HB 647, Relating to the removal of certain restrictions imposed on driver's licenses; authorizing a fee.

The bill was read second time.

Senator Hagenbuch offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 647** (senate committee report) by adding the following appropriately numbered SECTION to the bill and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. The Texas Department of Public Safety is required to implement this Act only if the legislature appropriates money specifically for that purpose. If the legislature does not appropriate money specifically for that purpose, the agency may, but is not required to, implement this Act using other appropriations available for that purpose.

The amendment to **HB 647** was read and was adopted without objection.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

HB 647 as amended was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 647 ON THIRD READING

Senator Hagenbuch moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 647** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 1828 ON SECOND READING

Senator Flores moved to suspend the regular order of business to take up for consideration **HB 1828** at this time on its second reading:

HB 1828, Relating to legislative leave for correctional officers employed by the Texas Department of Criminal Justice.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Creighton, Eckhardt, Flores, Gutierrez, Hagenbuch, A. Hinojosa, J. Hinojosa, Huffman, Johnson, King, Kolkhorst, Menéndez, Middleton, Miles, Nichols, Parker, Paxton, Perry, Schwertner, West, Zaffirini.

Nays: Hall, Hancock, Hughes, Sparks.

The bill was read second time and was passed to third reading by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

HOUSE BILL 1828 ON THIRD READING

Senator Flores moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1828** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Creighton, Eckhardt, Flores, Gutierrez, Hagenbuch, A. Hinojosa, J. Hinojosa, Huffman, Johnson, King, Kolkhorst, Menéndez, Middleton, Miles, Nichols, Parker, Paxton, Perry, Schwertner, West, Zaffirini.

Nays: Hall, Hancock, Hughes, Sparks.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 120 ON SECOND READING**

On motion of Senator Schwertner and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 120** at this time on its second reading:

CSHB 120, Relating to college, career, and military readiness in public schools, including career and technology education programs, the Financial Aid for Swift Transfer (FAST) program, and the Rural Pathway Excellence Partnership (R-PEP) program, funding for those programs under the Foundation School Program, and workforce reporting to support those programs, to the public school accountability system, and to the new instructional facility allotment and the permissible uses of funding under the Foundation School Program.

The bill was read second time.

Senator Schwertner offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 120** (senate committee report) as follows:

(1) In SECTION 2 of the bill, in added Section 7.0405(a)(2), Education Code (page 2, lines 16 and 17), strike Paragraph (B) and reletter subsequent paragraphs of that subdivision accordingly.

(2) In SECTION 2 of the bill, in added Section 7.0405(a)(2)(C), Education Code (page 2, line 18), between "(C)" and "employment", insert "for each cohort for which data is available".

(3) In SECTION 2 of the bill, immediately following added Section 7.0405(a), Education Code (page 2, between lines 22 and 23), insert the following appropriately lettered subsection and reletter subsequent subsections accordingly:

() The agency is required to provide data regarding students who graduate from high school and enroll in remedial postsecondary coursework as part of a postsecondary degree, certificate, or other credentialing program under Subsection (a)(1)(A) only to the extent that data is available.

(4) In SECTION 3 of the bill, in amended Section 11.186(b), Education Code, strike Subdivision (3) (page 2, lines 57 through 60), and substitute the following:

(3) include specific annual goals for student completion while enrolled in high school of postsecondary credentials, including industry-based credentials, level one or level two certificates, and associate degrees, prioritizing credentials identified in the long-range master plan for higher education established under Section 61.051 and the performance tier funding for public junior colleges for credentials of value under Section 130A.101;

(5) Strike SECTION 7 of the bill, adding Section 29.9016, Education Code (page 4, lines 40 through 58).

(6) In SECTION 9 of the bill, in amended Section 33.007(b)(1), Education Code (page 5, line 29), strike "career readiness and workforce training opportunities" and substitute the following:

⋮

(A) career readiness and workforce training opportunities; and

(B) a link to the My Texas Future Internet website and information regarding how to create a profile on that website

(7) In SECTION 9 of the bill, in added Section 33.007(b)(12), Education Code (page 5), strike lines 67 and 68 and substitute the following:

⋮

(A) information regarding program costs, program completion rates, and the average wages of students who complete the program; and

(B) the availability of information regarding those opportunities on the My Texas Future Internet website; and

(8) In SECTION 9 of the bill, in added Section 33.007(b)(13), Education Code (page 6, line 5), between "7.0405(a)" and the underlined period, insert "or available on the My Texas Future Internet website".

(9) In SECTION 9 of the bill, in added Section 33.007(d), Education Code (page 6, line 8), between "7.0405(a)" and the underlined period, insert "or available on the My Texas Future Internet website".

(10) In SECTION 9 of the bill, in added Section 33.007(d), Education Code (page 6, at the end of line 12), insert "The agency may make the training or other resources provided by the Texas Higher Education Coordinating Board available through the Texas OnCourse Internet website.".

(11) Strike SECTIONS 12 and 13 of the bill, amending Section 39.053, Education Code, and adding Section 39.0531, Education Code (page 6, line 45, through page 9, line 41).

(12) In the recital to SECTION 16 of the bill, amending Section 48.106, Education Code (page 10, lines 9 and 10), strike "Section 48.106, Education Code, is amended by amending Subsection (a-1) and adding Subsections (a-2) and (a-3)" and substitute "Section 48.106(a-1), Education Code, is amended".

(13) In SECTION 16 of the bill, amending Section 48.106, Education Code, strike amended Subsection (a-1) (page 10, lines 12 through 21) and substitute the following:

(a-1) In addition to the amounts under Subsection (a), ~~[for each student in average daily attendance,]~~ a district is entitled to \$150 ~~[\$50]~~ for each ~~[of the following in which the]~~ student in average daily attendance who ~~[is enrolled]~~:

(1) is enrolled in a campus designated as a P-TECH school under Section 29.556; or

(2) completes a course of study offered under the Pathways in Technology Early College High School (P-TECH) program under Subchapter N, Chapter 29, or the Rural Pathway Excellence Partnership (R-PEP) program under Section 29.912, regardless of whether the student is enrolled in the district that provides the course of study ~~[a campus that is a member of the New Tech Network and that focuses on project-based learning and work-based education].~~

(14) In SECTION 16 of the bill, amending Section 48.106, Education Code, strike added Subsections (a-2) and (a-3) (page 10, lines 22 through 35).

(15) In the recital to SECTION 18 of the bill, amending Section 48.118, Education Code (page 10, lines 58 and 59), strike "amending Subsections (a) and (f) and adding Subsections (a-1), (a-2), and (a-3)" and substitute "adding Subsection (a-3) and amending Subsection (f)".

(16) In SECTION 18 of the bill, amending Section 48.118, Education Code, strike amended Subsection (a) and added Subsections (a-1) and (a-2) (page 10, line 60, through page 11, line 14).

(17) In SECTION 22 of the bill, in added Section 48.156(b), Education Code (page 12, line 19), strike "\$15" and substitute "\$20".

(18) In SECTION 26 of the bill, in amended Section 312.003(a), Labor Code (page 13), strike lines 1 through 5 and substitute the following:
and

(2) serve as an entry point to middle- and high-wage jobs.

(19) In SECTION 29 of the bill, adding transition language (page 13, line 30), strike "Sections 28.0095(c-1) and 29.9016" and substitute "Section 28.0095(c-1)".

(20) Strike SECTION 30 of the bill, adding transition language (page 13, lines 34 through 37).

(21) Add the following appropriately numbered SECTIONS to the bill:

SECTION _____. Subchapter Z, Chapter 29, Education Code, is amended by adding Section 29.9017 to read as follows:

Sec. 29.9017. NOTICE REGARDING MILITARY-RELATED TRAINING PROGRAMS. (a) As part of the high school registration process and annually, a school district or open-enrollment charter school shall notify the parent or guardian of each student enrolled in a Junior Reserve Officers' Training Corps program established under 10 U.S.C. Section 2031 regarding any early registration or scholarship program available to students in military-related training programs.

(b) The notice required under Subsection (a) must provide the student's parent or guardian with the option to share the student's data with one or more public institutions of higher education for the purpose of learning about any opportunity to participate in an early registration or scholarship program described by Subsection (a), including:

(1) the student's directory contact information;

(2) the student's education records; or

(3) any other information prescribed by the agency, in coordination with the Texas Higher Education Coordinating Board, that would allow the student to learn about an opportunity to participate in military-related training programs at public institutions of higher education, including financial aid or scholarship programs.

SECTION _____. Section 48.003(a), Education Code, is amended to read as follows:

(a) A student is entitled to the benefits of the Foundation School Program if, on September 1 of the school year, the student:

(1) is 5 years of age or older and under 21 years of age and:

(A) has not graduated from high school; or

(B) has graduated from high school but is:

(i) enrolled in a school district at a campus designated as a P-TECH school under Section 29.556 or in a school district participating in a partnership under Section 29.912; and

(ii) completing a course of study offered through an articulation agreement or memorandum of understanding with an institution of higher education, as defined by Section 61.003, and the district described by Subparagraph (i), as applicable, under the Pathways in Technology Early College High School (P-TECH) program under Subchapter N, Chapter 29, and the Rural Pathway Excellence Partnership (R-PEP) program under Section 29.912, regardless of whether the student is enrolled in the district providing the course of study;

(2) ~~is~~ is at least 21 years of age and under 26 years of age and has been admitted by a school district to complete the requirements for a high school diploma; or

(3) ~~(2)~~ is at least 18 years of age and under 50 years of age and is enrolled in an adult education program provided under the adult high school charter school program under Subchapter G, Chapter 12.

SECTION _____. To the extent of any conflict, this Act prevails over another Act of the 89th Legislature, Regular Session, 2025.

(22) Renumber SECTIONS of the bill accordingly.

The amendment to **CSHB 120** was read and was adopted without objection.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

CSHB 120 as amended was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

COMMITTEE SUBSTITUTE HOUSE BILL 120 ON THIRD READING

Senator Schwertner moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 120** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3463 ON SECOND READING**

On motion of Senator Alvarado and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 3463** at this time on its second reading:

CSHB 3463, Relating to the prosecution of the offense of theft of service.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3463 ON THIRD READING**

Senator Alvarado moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3463** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 4535 ON SECOND READING

Senator Hancock moved to suspend the regular order of business to take up for consideration **HB 4535** at this time on its second reading:

HB 4535, Relating to COVID-19 vaccine administration requirements.

The motion prevailed by the following vote: Yeas 23, Nays 8.

Yeas: Bettencourt, Birdwell, Blanco, Campbell, Creighton, Flores, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, King, Kolkhorst, Middleton, Miles, Nichols, Parker, Paxton, Perry, Schwertner, Sparks.

Nays: Alvarado, Cook, Eckhardt, Gutierrez, Johnson, Menéndez, West, Zaffirini.

The bill was read second time and was passed to third reading by the following vote: Yeas 23, Nays 8. (Same as previous roll call)

HOUSE BILL 4535 ON THIRD READING

Senator Hancock moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 4535** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Bettencourt, Birdwell, Blanco, Campbell, Creighton, Flores, Gutierrez, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, King, Kolkhorst, Middleton, Miles, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Zaffirini.

Nays: Alvarado, Cook, Eckhardt, Johnson, Menéndez, West.

The bill was read third time and was passed by the following vote: Yeas 23, Nays 8.

Yeas: Bettencourt, Birdwell, Blanco, Campbell, Creighton, Flores, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, King, Kolkhorst, Middleton, Miles, Nichols, Parker, Paxton, Perry, Schwertner, Sparks.

Nays: Alvarado, Cook, Eckhardt, Gutierrez, Johnson, Menéndez, West, Zaffirini.

SENATE BILL 21 WITH HOUSE AMENDMENTS

Senator Schwertner called **SB 21** from the President's table for consideration of the House amendments to the bill.

The President Pro Tempore laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 21** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to the establishment and administration of the Texas Strategic Bitcoin Reserve for the purpose of investing in cryptocurrency and the investment authority of the comptroller of public accounts over the reserve and certain other state funds.

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

SECTION 1. This Act may be cited as the Texas Strategic Bitcoin Reserve and Investment Act.

SECTION 2. Chapter 403, Government Code, is amended by adding Subchapter V to read as follows:

SUBCHAPTER V. TEXAS STRATEGIC BITCOIN RESERVE

Sec. 403.701. DEFINITIONS. In this subchapter:

(1) "Airdrop" means a gratuitous distribution of cryptocurrency to persons who hold cryptocurrency, generally made in a broad, equitable, and nondiscretionary manner.

(2) "Bitcoin" means a type of decentralized cryptocurrency created by a peer-to-peer network that operates independently of any central authority or bank.

(3) "Cold storage" means a method of storing private keys required to engage in transactions involving cryptocurrency that:

(A) has a nexus to a secure physical location;

(B) is protected from unauthorized access; and

(C) is isolated from any Internet network connections.

(4) "Cryptocurrency" means a type of virtual currency that utilizes cryptography to secure transactions that are digitally recorded on a distributed ledger, such as a blockchain.

(5) "Fork" means a change to the consensus mechanism of a distributed ledger that creates a separate ledger, which may result in a new cryptocurrency that shares a common transaction history with the previous cryptocurrency up to the point of the change.

(6) "Qualified custodian" means a state or federally chartered financial institution or other entity regulated by this state that has custody of a virtual currency.

(7) "Reserve" means the Texas Strategic Bitcoin Reserve established under this subchapter.

(8) "Virtual currency" has the meaning assigned by Section 12.001, Business & Commerce Code.

Sec. 403.702. LEGISLATIVE FINDINGS; PURPOSE. The legislature finds that:

(1) bitcoin and other cryptocurrencies are assets with strategic potential for enhancing this state's financial resilience;

(2) bitcoin and other cryptocurrencies can serve as a hedge against inflation and economic volatility; and

(3) the establishment of a strategic bitcoin reserve serves the public purpose of providing enhanced financial security to residents of this state.

Sec. 403.703. ESTABLISHMENT AND ADMINISTRATION OF RESERVE.

(a) The Texas Strategic Bitcoin Reserve is established as a special fund outside the state treasury. The comptroller has custody of and shall administer and manage the reserve. The reserve consists of:

(1) money transferred or deposited to the credit of the reserve by legislative appropriation;

(2) revenue that the legislature by general law dedicates for deposit to the credit of the reserve;

(3) subject to Section 403.704, bitcoin and other cryptocurrency purchased using money in or received by the reserve, including any cryptocurrency:

(A) derived from the fork of a distributed ledger; or

(B) distributed pursuant to an airdrop to the state's cryptocurrency addresses;

(4) investment earnings and interest or rewards earned on assets in the reserve; and

(5) gifts, grants, and other donations to the reserve.

(b) In its administration and management of the reserve, the comptroller may acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor exercising reasonable care, skill, and caution would acquire, exchange, sell, supervise, manage, or retain in light of the purposes, terms, distribution requirements, and other circumstances then prevailing for the reserve, taking into consideration the investment of all the assets of the reserve rather than a single investment.

(c) The legislature may appropriate funds for deposit to the credit of the reserve for the purposes of:

(1) investing in bitcoin or other cryptocurrency; and

(2) administering and managing the reserve.

(d) The comptroller may spend bitcoin or other cryptocurrency in the reserve or use the net proceeds from the sale of bitcoin or other cryptocurrency in the reserve to pay the reasonable costs associated with administering and managing the reserve.

(e) Money in the reserve may be invested with the state treasury pool.

(f) Except as provided by Section 403.707, the comptroller may not transfer money in the reserve to the state treasury unless authorized by the legislature in the General Appropriations Act or another law.

Sec. 403.704. MARKET CAPITALIZATION REQUIREMENT. Bitcoin or other cryptocurrency purchased using money in the reserve must have an average market capitalization of at least \$500 billion over the most recent 12-month period.

Sec. 403.705. THIRD-PARTY CONTRACTS AND PERMISSIBLE TRANSACTIONS; AUDITS. (a) The comptroller may contract with one or more third-party entities for the administration or management of the reserve, including contracting with:

(1) a qualified custodian who employs secure custodial technologies, including cold storage; and

(2) a qualified liquidity provider to facilitate the purchase and management of assets in the reserve.

(b) For purposes of Subsection (a)(2), "qualified liquidity provider" means an entity that:

(1) is licensed or regulated under applicable federal or state law;

(2) maintains audited financial statements prepared by a regulated auditor;

(3) has at least five years of experience trading in the digital assets industry;

(4) maintains an office and has a registered principal in this state; and

(5) has certified in a method prescribed by the comptroller that the provider meets the requirements of Subdivisions (1)-(4).

(c) If the comptroller determines it is in the best interest of the reserve, the comptroller may:

(1) use derivatives;

(2) engage in the staking of qualifying digital assets in the reserve, only if:

(A) the state treasury retains legal ownership of the digital asset; and

(B) the staking is conducted using a third-party solution; and

(3) loan digital assets in the reserve acquired as an investment.

(d) The comptroller may contract with a certified public accountant to perform an independent audit of the reserve.

Sec. 403.706. VOLUNTARY DONATION OF BITCOIN OR OTHER CRYPTOCURRENCY TO RESERVE. (a) Subject to applicable law, including Section 403.704, the comptroller may accept a gift, grant, or other donation of bitcoin or other cryptocurrency to the reserve only from a person domiciled in this state.

(b) A donor may not limit or direct the investment or use of bitcoin or other cryptocurrency donated to the reserve.

(c) The comptroller may require information from a person who donates or offers to make a donation to the reserve and may reject or return a donation made to the reserve for any reason. The comptroller shall, subject to applicable law, return a donation rejected after it is deposited to the reserve, net of any costs related to the donation incurred by the comptroller during the period the donation was in the reserve.

(d) The comptroller may issue a certificate of acknowledgment to a donor that donates bitcoin or other cryptocurrency to the reserve if the donor requests the certificate.

(e) The comptroller may establish a recognition program to publicly honor a donor who makes significant contributions of bitcoin or other cryptocurrency to the reserve.

Sec. 403.707. TEMPORARY TRANSFER FOR CASH MANAGEMENT. (a) The comptroller may liquidate the reserve's assets and temporarily transfer money from the reserve to the state treasury if necessary for the purposes described by Section 403.092.

(b) The comptroller shall, as soon as practicable after the date of a transfer under Subsection (a), return the transferred money to the reserve along with the interest, if any, earned on the money while held in the state treasury.

Sec. 403.708. TEXAS STRATEGIC BITCOIN RESERVE ADVISORY COMMITTEE. (a) In this section, "committee" means the Texas Strategic Bitcoin Reserve advisory committee.

(b) The committee is composed of the following five members:

(1) the comptroller;

(2) one member of the comptroller's investment advisory board established under Section 404.028, appointed by the comptroller; and

(3) three members with expertise in cryptocurrency investments, appointed by the comptroller.

(c) The committee shall advise the comptroller regarding the administration and management of the reserve, including:

(1) recommendations for valuing assets in the reserve; and

(2) the establishment of prudent investment policies relating to the investment objectives of and asset allocation in the reserve.

(d) A member of the committee is not entitled to receive compensation for service on the committee or reimbursement for expenses incurred in the performance of official duties as a member of the committee.

(e) Members of the committee appointed by the comptroller serve at the will of the comptroller.

(f) Chapter 2110 does not apply to the committee.

Sec. 403.709. BIENNIAL REPORT. Not later than December 31 of each even-numbered year, the comptroller shall publish on the comptroller's Internet website and submit to the legislature a report that includes:

(1) the amount of bitcoin and other cryptocurrency held in the reserve on the last day of the preceding state fiscal biennium;

(2) an estimate of the monetary value of the bitcoin and other cryptocurrency held in the reserve on the last day of the preceding state fiscal biennium;

(3) the changes, if any, in the amount and estimated monetary value of bitcoin and other cryptocurrency in the reserve during the period the cryptocurrency has been held in the reserve, disaggregated by cryptocurrency type; and

(4) a description of the actions taken by the comptroller to administer and manage the reserve during the preceding state fiscal biennium.

Sec. 403.710. RULES. The comptroller may adopt rules as necessary to administer this subchapter.

SECTION 3. Section 2256.004(a), Government Code, is amended to read as follows:

(a) This subchapter does not apply to:

- (1) a public retirement system as defined by Section 802.001;
- (2) state funds invested by the comptroller ~~[as authorized by Section 404.024];~~
- (3) an institution of higher education having total endowments of at least \$150 million in book value on September 1, 2017;
- (4) funds invested by the Veterans' Land Board as authorized by Chapter 161, 162, or 164, Natural Resources Code;
- (5) registry funds deposited with the county or district clerk under Chapter 117, Local Government Code; or
- (6) a deferred compensation plan that qualifies under either Section 401(k) or 457 of the Internal Revenue Code of 1986 (26 U.S.C. Section 1 et seq.), as amended.

SECTION 4. As soon as possible after the effective date of this Act, the comptroller of public accounts shall:

- (1) adopt rules as necessary to implement this Act; and
- (2) appoint members to the Texas Strategic Bitcoin Reserve advisory committee as required by Section 403.708, Government Code, as added by this Act.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2025.

Floor Amendment No. 1

Amend **CSSB 21** (house committee report) on page 4, line 17, by striking "12-month" and substituting "24-month".

The amendments were read.

Senator Schwertner moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The President Pro Tempore asked if there were any motions to instruct the conference committee on **SB 21** before appointment.

There were no motions offered.

The President Pro Tempore announced the appointment of the following conferees on the part of the Senate: Senators Schwertner, Chair; Campbell, King, Johnson, and Blanco.

SENATE BILL 379 WITH HOUSE AMENDMENTS

Senator Middleton called **SB 379** from the President's table for consideration of the House amendments to the bill.

The President Pro Tempore laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 379** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED AN ACT

relating to prohibiting the purchase of sweetened soft drinks under the supplemental nutrition assistance program.

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

SECTION 1. Subchapter A, Chapter 33, Human Resources Code, is amended by adding Section 33.031 to read as follows:

Sec. 33.031. PURCHASE OF SWEETENED SOFT DRINKS PROHIBITED UNDER SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM. (a) In this section, "sweetened soft drink" means a nonalcoholic beverage made with carbonated water that contains five grams or more of added sugar or artificial sweeteners. The term does not include a beverage that contains:

- (1) milk or milk products;
- (2) soy, rice, or similar milk substitutes; or
- (3) more than 50 percent of vegetable or fruit juice by volume.

(b) A recipient of supplemental nutrition assistance program benefits may not use those benefits to purchase a sweetened soft drink.

SECTION 2. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the waiver or authorization is granted.

SECTION 3. This Act takes effect September 1, 2025.

Floor Amendment No. 1

Amend **CSSB 379** (house committee printing) on page 1, line 11, between "or" and "artificial", by inserting "any amount of".

The amendments were read.

Senator Middleton moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The President Pro Tempore asked if there were any motions to instruct the conference committee on **SB 379** before appointment.

There were no motions offered.

The President Pro Tempore announced the appointment of the following conferees on the part of the Senate: Senators Middleton, Chair; Hall, Kolkhorst, Sparks, and Schwertner.

SENATE BILL 1405 WITH HOUSE AMENDMENTS

Senator Nichols called **SB 1405** from the President's table for consideration of the House amendments to the bill.

The President Pro Tempore laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 1405** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to increasing access to and reducing taxation of Internet services.

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

SECTION 1. Sections 403.553(a)(3) and (4), Government Code, are amended to read as follows:

(3) "Qualifying broadband service" means broadband service as defined by Section 490I.0101 ~~[retail wireline or wireless broadband service capable of providing:~~
~~[(A) a download speed of 25 megabits per second or faster; and~~
~~[(B) an upload speed of 3 megabits per second or faster].~~

(4) "Unserved area" means a location that lacks access to ~~[a]~~ retail fixed, terrestrial, wireline, or wireless qualifying broadband service ~~[Internet service capable of providing:~~

~~[(A) a download speed of 25 megabits per second or faster; and~~
~~[(B) an upload speed of 3 megabits per second or faster].~~

SECTION 2. Section 403.553(o), Government Code, is amended to read as follows:

(o) Not later than November 1 of each year ~~[the 60th day after the date the pole replacement fund receives money for the pole replacement program]~~, the comptroller shall ~~[maintain and]~~ publish on the comptroller's Internet website:

(1) statistics on the number of applications received, processed, and rejected by the program in the preceding state fiscal year;

(2) statistics on the size, number, and status of reimbursements awarded by the program in the preceding state fiscal year, including the retail broadband service providers and pole owners receiving reimbursements; and

(3) the estimated amount of money available for grants from the program as of the last day of the preceding state fiscal year ~~[remaining in the pole replacement fund]~~.

SECTION 3. Section 490I.0101(a), Government Code, is amended to read as follows:

(a) For purposes of this chapter, subject to Subsection (b), "broadband service" means Internet service with the capability of providing a:

(1) speed of not less than 100 ~~[25]~~ megabits per second for a download;

(2) speed of not less than 20 ~~[three]~~ megabits per second for an upload; and

(3) network round-trip latency of less than or equal to 100 milliseconds based on the 95th percentile of speed measurements.

SECTION 4. Sections 490I.0105(a), (c), (f), and (q), Government Code, are amended to read as follows:

(a) The broadband development office shall create, update annually, and publish on the comptroller's Internet website a map classifying each broadband serviceable location in this state as:

(1) an unserved location if the location:

(A) does not have access to reliable broadband service capable of providing:

(i) ~~the~~ speeds matching standards adopted by the Federal Communications Commission if required by the comptroller under Section 490I.0101(b); or

(ii) if the comptroller has not exercised the comptroller's authority under Section 490I.0101(b), speeds described by Section 490I.0101(a); or

(B) is a public school or community anchor institution and does not have access to reliable gigabit-level broadband service;

(2) an underserved location if the location is not an unserved location but does not have access to reliable broadband service with the capability of providing:

(A) a speed of not less than 100 megabits per second for a download;

(B) a speed of not less than 20 megabits per second for an upload; and

(C) a network round-trip latency of less than or equal to 100 milliseconds based on the 95th percentile of speed measurements; or

(3) a served location if the location is neither an unserved nor an underserved location.

(c) The ~~[After creation of the initial map described in Subsection (a), the]~~ office may evaluate the usefulness of the standards for unserved and underserved locations outlined in Subsection (a) and, if appropriate, make a recommendation to the legislature to revise the standards.

(f) The ~~[Except as provided by Subsection (g), the]~~ office shall use the best available data, including information available from the Federal Communications Commission, to create or update the map.

(q) The office is not required to create, update, or publish a map under this section if the office adopts a map produced by the Federal Communications Commission ~~[produces a map]~~ that~~:-~~

[(+) enables the office to identify unserved, underserved, and served locations [eligible and ineligible areas,] as described by Subsection (a)]~~:-and~~

[(2) meets the requirements of Subsection (d)].

SECTION 5. Section 490I.0106, Government Code, is amended by amending Subsections (a), (a-1), (a-2), (a-3), (b), (d), (f), and (h) and adding Subsection (j) to read as follows:

(a) The broadband development office shall establish a program to award contracts, grants, low-interest loans, and other financial incentives ~~[to applicants]~~ for the purpose of expanding access to and adoption of broadband service.

(a-1) The office may award contracts, grants, low-interest loans, and other financial incentives ~~[to applicants]~~ for eligible broadband infrastructure projects designed to provide qualifying broadband service to unserved and underserved locations. For the purposes of this subsection, an eligible broadband infrastructure

project includes a project in which not less than 80 percent of the broadband serviceable locations to be served by the project are unserved and underserved locations.

(a-2) The office may award contracts, grants, low-interest loans, and other financial incentives ~~[to applicants]~~ for middle-mile broadband infrastructure projects.

(a-3) The office may award contracts, grants, low-interest loans, and other financial incentives ~~[to applicants]~~ for projects not involving the deployment of broadband infrastructure that expand the accessibility, affordability, or adoption of broadband service, including education, training, community outreach, remote learning or telehealth facilities, equipment purchases, or any other use permitted by the applicable funding source.

(b) In making an award under this section, the office shall, to the extent applicable ~~[The office shall establish eligibility and award criteria for making awards under this chapter for each applicable notice of funds availability. The comptroller by rule may prescribe the manner in which the office shall provide notice to applicants of the applicable criteria. In establishing eligibility and award criteria, the office shall]:~~

(1) take into consideration grants and other financial incentives awarded by the federal government for the deployment of broadband service;

(2) prioritize ~~[the]~~ applications ~~[of applicants]~~ that will expand access to and adoption of broadband service in designated areas in which the highest percentage of broadband serviceable locations are unserved or underserved locations;

(3) prioritize ~~[the]~~ applications ~~[of applicants]~~ that will expand access to broadband service in public and private primary and secondary schools and institutions of higher education;

(4) give preference to an applicant that provided the information requested by the office under Section ~~[490I.0105 or]~~ 490I.01061; and

(5) take into consideration whether an applicant has forfeited federal funding for defaulting on a project to deploy qualifying broadband service.

(d) The office may not:

(1) except as provided by Section 490I.01062, favor a particular broadband technology in awarding contracts, grants, loans, or other financial incentives;

(2) award a contract, grant, loan, or other financial incentive for the deployment of last-mile broadband service to a noncommercial provider of broadband service for a broadband serviceable location if an eligible commercial provider of broadband service has submitted an application for the same location;

(3) take into consideration distributions from the state universal service fund established under Section 56.021, Utilities Code, when deciding to award contracts, grants, loans, or other financial incentives; or

(4) except as provided by Section 490I.01061, award a contract, grant, loan, or other financial incentive for deployment of last-mile broadband service for a location that is subject to an existing ~~[a]~~ federal commitment to deploy qualifying broadband service on the date the application is submitted or during the application process.

(f) During the 30-day posting period described by Subsection (e) for an application, the office shall accept from any interested party, other than a broadband service provider that does not report information requested by the office under Section

~~[490I.0105 or]~~ 490I.01061, a written protest of an ~~[the]~~ application submitted for a contract, grant, loan, or other financial incentive under Subsection (a-1) relating to whether the broadband-serviceable locations contained in the application are eligible to receive funding ~~[applicant or project is eligible for an award or should not receive an award based on the criteria prescribed by the office].~~

(h) The office shall establish and publish criteria for award recipients. The criteria must include requirements that contracts, grants, loans, and other financial incentives awarded through the program for the deployment of broadband infrastructure may be used only for capital expenses, purchase or lease of property, and other expenses, including backhaul and transport, that will facilitate the provision or adoption of broadband service.

(j) The office shall publish on the comptroller's Internet website information regarding each grant awarded under Subsection (a-1), including the grant recipient's name, the area targeted for expanded broadband service access, the amount of the grant award, the status of the grant award, including incremental completion status, and any other information the office considers relevant.

SECTION 6. Section 490I.0110(i), Government Code, is amended to read as follows:

(i) A person who is professionally affiliated with a person serving as a member of the board of advisors is not eligible for funding from the broadband development program under Section 490I.0106 if the member is involved in decisions regarding the award of contracts, grants, loans, or other financial incentives under that section.

SECTION 7. Sections 151.00394(b) and (c), Tax Code, are amended to read as follows:

(b) "Internet access service" does not include ~~[and the exemption under Section 151.325 does not apply to]~~ any ~~[other]~~ taxable service listed in Section 151.0101(a), unless the taxable service is provided in conjunction with and is merely incidental to the provision of Internet access service.

(c) ~~[On and after October 1, 1999,]~~ "Internet access service" is not included in the definitions of "data processing service" and "information service."

SECTION 8. Section 151.0101(a), Tax Code, is amended to read as follows:

(a) "Taxable services" means:

- (1) amusement services;
- (2) cable television services;
- (3) personal services;
- (4) motor vehicle parking and storage services;
- (5) the repair, remodeling, maintenance, and restoration of tangible personal

property, except:

- (A) aircraft;
- (B) a ship, boat, or other vessel, other than:
 - (i) a taxable boat or motor as defined by Section 160.001;
 - (ii) a sports fishing boat; or
 - (iii) any other vessel used for pleasure;
- (C) the repair, maintenance, and restoration of a motor vehicle; and

(D) the repair, maintenance, creation, and restoration of a computer program, including its development and modification, not sold by the person performing the repair, maintenance, creation, or restoration service;

- (6) telecommunications services;
- (7) credit reporting services;
- (8) debt collection services;
- (9) insurance services;
- (10) information services;
- (11) real property services;
- (12) data processing services;
- (13) real property repair and remodeling;
- (14) security services;
- (15) telephone answering services; and
- (16) ~~Internet access service; and~~

~~(17)~~ a sale by a transmission and distribution utility, as defined in Section 31.002, Utilities Code, of transmission or delivery of service directly to an electricity end-use customer whose consumption of electricity is subject to taxation under this chapter.

SECTION 9. Section 171.10132, Tax Code, is amended by amending Subsection (a) and adding Subsection (a-1) to read as follows:

(a) In this section, "qualifying broadband grant" means a grant for broadband deployment in this state received by a taxable entity:

(1) under the Broadband Equity, Access, and Deployment Program established under 47 U.S.C. Section 1702;

(2) under the State Digital Equity Capacity Grant Program established under 47 U.S.C. Section 1723;

(3) under the Digital Equity Competitive Grant Program established under 47 U.S.C. Section 1724;

(4) under the provisions of 47 U.S.C. Section 1741 providing for middle mile grants;

(5) under the broadband loan and grant pilot program authorized under Section 779, Title VII, Div. A, Consolidated Appropriations Act, 2018 (Pub. L. No. 115-141, 132 Stat. 399), from funds made available for that program under the heading "Distance Learning, Telemedicine, and Broadband Program," "Rural Utilities Service," "Rural Development Programs" in Title I, Infrastructure Investments and Jobs Appropriations Act (Title I, Div. J, Pub. L. No. 117-58, 135 Stat. 1351);

(6) under Section 905, Division N, Consolidated Appropriations Act, 2021 (Pub. L. No. 116-260, 134 Stat. 2136); ~~or~~

(7) from a state, territory, tribal government, or unit of local government to the extent the grant was:

(A) funded by amounts provided under 42 U.S.C. Section 802, 803, or 804; and

(B) provided for the stated purposes of making investments in broadband infrastructure; or

(8) from the comptroller under Subchapter S, Chapter 403, Government Code, or Chapter 4901 of that code.

(a-1) For purposes of Subsection (a)(8), a reimbursement award received by a taxable entity under Subchapter S, Chapter 403, Government Code, is considered a grant for broadband development in this state.

SECTION 10. The following provisions are repealed:

- (1) Chapter 490H, Government Code;
- (2) Sections 490I.0105(g), (h), (i), (j), (k), (l), (n), (o), and (p), Government Code; and
- (3) Section 151.325, Tax Code.

SECTION 11. The changes in law made by this Act do not affect tax liability accruing before the effective date of this Act. That liability continues in effect as if this Act had not been enacted, and the former law is continued in effect for the collection of taxes due and for civil and criminal enforcement of the liability for those taxes.

SECTION 12. Section 171.10132, Tax Code, as amended by this Act, applies only to a report originally due on or after January 1, 2026.

SECTION 13. This Act takes effect July 1, 2025, if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for effect on that date, this Act takes effect September 1, 2025.

Floor Amendment No. 1

Amend **CSSB 1405** (house committee report) as follows:

- (1) On page 11, line 12, between the period and "The", insert "(a)".
- (2) On page 11, between lines 16 and 17, insert the following:
 - (b) Section 151.3186, Tax Code, is repealed effective January 1, 2027.
- (3) On page 11, line 17, strike "The" and substitute "(a) Except as provided by Subsection (b) of this section, the".
- (4) On page 11, between lines 22 and 23, insert the following:
 - (b) The repeal of Section 151.3186, Tax Code, by this Act does not affect a refund:
 - (1) to which a taxpayer became entitled before the effective date of the repeal; and
 - (2) for which a taxpayer timely filed a claim with the comptroller of public accounts on or before March 31, 2027.

(5) On page 11, line 26, strike "This" and substitute "Except as otherwise provided by this Act, this".

(6) Add the following appropriately numbered SECTION to the bill and renumber the SECTIONS of the bill accordingly:

SECTION _____. Effective January 1, 2028, Subchapter H, Chapter 151, Tax Code, is amended by adding Section 151.3187 to read as follows:

Sec. 151.3187. PROPERTY USED IN CABLE TELEVISION, INTERNET ACCESS, OR TELECOMMUNICATIONS SERVICES. (a) In this section, "provider" means a provider of cable television service, Internet access service, or telecommunications services.

(b) Notwithstanding Sections 151.051 and 151.101 and except as provided by Subsection (c), the rate of the tax imposed under this chapter on the sale, lease, or rental or storage, use, or other consumption of tangible personal property is four percent if:

(1) the property is sold, leased, or rented to or stored, used, or consumed by a provider or a subsidiary of a provider; and

(2) the property is directly used or consumed by the provider or subsidiary described by Subdivision (1) in or during:

(A) the distribution of cable television service;

(B) the provision of Internet access service; or

(C) the transmission, conveyance, routing, or reception of telecommunications services.

(c) This section does not apply to:

(1) the sale, lease, or rental or storage, use, or other consumption of tangible personal property directly used or consumed in or during the provision, creation, or production of a data processing service or information service; or

(2) a tax authorized or imposed under Subtitle C, Title 3.

(d) The comptroller shall adopt rules to implement this section, including rules providing for a partial refund of any amount of tax imposed at the rate provided by Subsection (b) but collected at the rate provided by Section 151.051(b).

The amendments were read.

Senator Nichols moved that the Senate do not concur in the House amendments, but that a conference committee be appointed to adjust the differences between the two Houses on the bill.

The motion prevailed without objection.

The President Pro Tempore asked if there were any motions to instruct the conference committee on **SB 1405** before appointment.

There were no motions offered.

The President Pro Tempore announced the appointment of the following conferees on the part of the Senate: Senators Nichols, Chair; Johnson, Hancock, Campbell, and Hagenbuch.

HOUSE BILL 4396 ON SECOND READING

Senator King moved to suspend the regular order of business to take up for consideration **HB 4396** at this time on its second reading:

HB 4396, Relating to the eligibility of the American Performance Horseman and the American Rodeo for funding under the major events reimbursement program.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Eckhardt, Flores, Gutierrez, Hagenbuch, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Johnson, King, Menéndez, Miles, Nichols, Parker, Paxton, Perry, Schwertner, West, Zaffirini.

Nays: Creighton, Hall, Hughes, Kolkhorst, Middleton, Sparks.

The bill was read second time and was passed to third reading by the following vote: Yeas 25, Nays 6. (Same as previous roll call)

HOUSE BILL 4396 ON THIRD READING

Senator King moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 4396** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Eckhardt, Flores, Gutierrez, Hagenbuch, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Johnson, King, Menéndez, Miles, Nichols, Parker, Paxton, Perry, Schwertner, West, Zaffirini.

Nays: Creighton, Hall, Hughes, Kolkhorst, Middleton, Sparks.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 6. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 4226 ON SECOND READING

Senator Campbell moved to suspend the regular order of business to take up for consideration **CSHB 4226** at this time on its second reading:

CSHB 4226, Relating to exemptions from the taxes imposed on the sale, use, or rental of a motor vehicle for a vehicle purchased, used, or rented by a nonprofit food bank or a provider of housing and related services.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Eckhardt, Flores, Gutierrez, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Johnson, King, Menéndez, Miles, Nichols, Parker, Paxton, Perry, Schwertner, West, Zaffirini.

Nays: Creighton, Hagenbuch, Hughes, Kolkhorst, Middleton, Sparks.

The bill was read second time and was passed to third reading by the following vote: Yeas 25, Nays 6. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 4226 ON THIRD READING

Senator Campbell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 4226** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Eckhardt, Flores, Gutierrez, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Johnson, King, Menéndez, Miles, Nichols, Parker, Paxton, Perry, Schwertner, West, Zaffirini.

Nays: Creighton, Hagenbuch, Hughes, Kolkhorst, Middleton, Sparks.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 6. (Same as previous roll call)

HOUSE BILL 49 ON SECOND READING

Senator Perry moved to suspend the regular order of business to take up for consideration **HB 49** at this time on its second reading:

HB 49, Relating to the treatment and beneficial use of fluid oil and gas waste and related material, including a limitation on liability for that treatment or use.

The motion prevailed.

Senators Cook and Eckhardt asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Cook, Eckhardt.

HOUSE BILL 49 ON THIRD READING

Senator Perry moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 49** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Creighton, Flores, Gutierrez, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, Johnson, King, Kolkhorst, Menéndez, Middleton, Miles, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, West, Zaffirini.

Nays: Cook, Eckhardt.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 2974 ON SECOND READING**

Senator King moved to suspend the regular order of business to take up for consideration **CSHB 2974** at this time on its second reading:

CSHB 2974, Relating to municipal and county hotel occupancy taxes and the authority of certain municipalities to receive certain tax revenue derived from a hotel and convention center project and to pledge certain tax revenue for the payment of obligations related to the project; authorizing the imposition of taxes.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Eckhardt, Flores, Gutierrez, Hagenbuch, A. Hinojosa, J. Hinojosa, Johnson, King, Kolkhorst, Menéndez, Miles, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, West, Zaffirini.

Nays: Creighton, Hall, Hancock, Huffman, Hughes, Middleton.

The bill was read second time.

Senator King offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2974** (senate committee printing) as follows:

(1) In SECTION 19 of the bill, strike Subsection (a) of the SECTION, providing for the repeal of certain provisions (page 15, lines 21 and 22), and substitute the following:

(a) Section 351.1035, Tax Code, is repealed.

(2) In SECTION 19 of the bill, between Subsections (a) and (b) of the SECTION (page 15, between lines 22 and 23), insert the following appropriately lettered subsection and reletter subsequent subsections of the SECTION accordingly:

() Effective January 1, 2026, Section 351.155(d), Tax Code, is repealed.

(3) In SECTION 21 of the bill, providing an effective date (page 15, line 44), strike "This" and substitute "Except as otherwise provided by this Act, this".

(4) Add the following appropriately numbered SECTION to the bill and renumber subsequent SECTIONS of the bill accordingly:

SECTION _____. Section 151.429(h), Tax Code, is amended to read as follows:

(h) This subsection does not apply to a qualified hotel project that is commenced after December 1, 2016. Notwithstanding the other provisions of this section, the owner of a qualified hotel project shall receive a rebate, refund, or payment of 100 percent of the sales and use taxes paid or collected by the qualified hotel project or businesses located in the qualified hotel project pursuant to this chapter and 100 percent of the hotel occupancy taxes paid by persons for the use or possession of or for the right to the use or possession of a room or space at the qualified hotel project pursuant to the provisions of Chapter 156 during the first 10 years after such qualified hotel project is open for initial occupancy. The comptroller shall deposit the taxes in trust in a separate suspense account of the qualified hotel project. A suspense account is outside the state treasury, and the comptroller may make a rebate, refund, or payment authorized by this section without the necessity of an appropriation. The comptroller shall rebate, refund, or pay to each qualified hotel project eligible taxable proceeds to which the project is entitled under this section at least monthly.

The amendment to **CSHB 2974** was read and was adopted without objection.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1 except as follows:

Nays: Cook.

CSHB 2974 as amended was passed to third reading by the following vote: Yeas 25, Nays 6.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Eckhardt, Flores, Gutierrez, Hagenbuch, A. Hinojosa, J. Hinojosa, Johnson, King, Kolkhorst, Menéndez, Miles, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, West, Zaffirini.

Nays: Creighton, Hall, Hancock, Huffman, Hughes, Middleton.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2974 ON THIRD READING**

Senator King moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2974** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Eckhardt, Flores, Gutierrez, Hagenbuch, A. Hinojosa, J. Hinojosa, Johnson, King, Kolkhorst, Menéndez, Miles, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, West, Zaffirini.

Nays: Creighton, Hall, Hancock, Huffman, Hughes, Middleton.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 6. (Same as previous roll call)

HOUSE BILL 75 ON SECOND READING

Senator Huffman moved to suspend the regular order of business to take up for consideration **HB 75** at this time on its second reading:

HB 75, Relating to the duty of a magistrate to make written findings in certain criminal proceedings.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Creighton, Eckhardt, Flores, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, Johnson, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, West, Zaffirini.

Nays: Cook, Gutierrez, Menéndez, Miles.

The bill was read second time and was passed to third reading by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

HOUSE BILL 75 ON THIRD READING

Senator Huffman moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 75** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Creighton, Eckhardt, Flores, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, Johnson, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, West, Zaffirini.

Nays: Cook, Gutierrez, Menéndez, Miles.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 851 ON SECOND READING**

On motion of Senator Bettencourt and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 851** at this time on its second reading:

CSHB 851, Relating to the determination and reporting of the number of residence homesteads of certain property owners for which the owner is receiving certain ad valorem tax benefits.

The bill was read second time.

Senator Bettencourt offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 851** (senate committee printing) as follows:

(1) In the recital to SECTION 1 of the bill, amending Section 11.26, Tax Code (page 1, line 24), strike "and (e-2)" and substitute ", (e-2), and (e-3)".

(2) In SECTION 1 of the bill, in added Section 11.26(e-2), Tax Code (page 1, line 41), immediately after the underlined period, add the following:

The comptroller shall ensure that the report does not include personal identifying information of a property owner.

(3) In SECTION 1 of the bill, in amended Section 11.26, Tax Code (page 1, between lines 41 and 42), insert the following:

(e-3) For purposes of reporting the number described by Subsection (e-1)(1) to the comptroller under Subsection (e-1)(2), the chief appraiser shall ensure that the report does not include personal identifying information of a property owner.

(4) In the recital to SECTION 2 of the bill, amending Section 33.06, Tax Code (page 1, line 43), strike "and (j)" and substitute ", (j), and (k)".

(5) In SECTION 2 of the bill, in added Section 33.06(j), Tax Code (page 2, line 4), immediately after the underlined period, add the following:

The comptroller shall ensure that the report does not include personal identifying information of a property owner.

(6) In SECTION 2 of the bill, in amended Section 33.06, Tax Code (page 2, between lines 4 and 5), insert the following:

(k) For purposes of reporting the number described by Subsection (i)(1) to the comptroller under Subsection (i)(2), the chief appraiser shall ensure that the report does not include personal identifying information of a property owner.

(7) In the recital to SECTION 3 of the bill, amending Section 33.065, Tax Code (page 2, line 6), strike "and (l)" and substitute ", (l), and (m)".

(8) In SECTION 3 of the bill, in added Section 33.065(l), Tax Code (page 2, line 25), immediately after the underlined period, add the following:

The comptroller shall ensure that the report does not include personal identifying information of a property owner.

(9) In SECTION 3 of the bill, in amended Section 33.065, Tax Code (page 2, between lines 25 and 26), insert the following:

(m) For purposes of reporting the number described by Subsection (k)(1) to the comptroller under Subsection (k)(2), the chief appraiser shall ensure that the report does not include personal identifying information of a property owner.

The amendment to **CSHB 851** was read and was adopted without objection.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

CSHB 851 as amended was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

COMMITTEE SUBSTITUTE HOUSE BILL 851 ON THIRD READING

Senator Bettencourt moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 851** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 216 ON SECOND READING

On motion of Senator Hughes and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 216** at this time on its second reading:

HB 216, Relating to itemized billing for health care services and supplies provided by health care providers.

The bill was read second time.

Senator Hughes offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 216** (senate committee report) in SECTION 1 of the bill by striking added Section 185.002(c-1)(2), Health and Safety Code (page 1, lines 46 through 49), and substituting the following:

(2) mail, e-mail, or provide a physical copy of the itemized bill to the patient, according to the patient's chosen method of issuance, if the health care provider:

(A) determines the patient does not have an active patient portal; or

(B) is unable to determine whether the patient has an active patient portal.

The amendment to **HB 216** was read and was adopted without objection.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

HB 216 as amended was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 216 ON THIRD READING

Senator Hughes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 216** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 5033 ON THIRD READING**

Senator Flores moved to suspend the regular order of business to take up for consideration **CSHB 5033** at this time on its third reading and final passage:

CSHB 5033, Relating to the authority of this state to implement a motor vehicle emissions inspection and maintenance program.

The motion prevailed by the following vote: Yeas 21, Nays 10.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks.

Nays: Alvarado, Blanco, Cook, Eckhardt, Gutierrez, Johnson, Menéndez, Miles, West, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 21, Nays 10. (Same as previous roll call)

(Senator Flores in Chair)

HOUSE BILL 2014 ON SECOND READING

On motion of Senator Birdwell and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2014** at this time on its second reading:

HB 2014, Relating to the election of the board of directors of the Somervell County Hospital District.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2014 ON THIRD READING

Senator Birdwell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2014** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2524 ON SECOND READING

On motion of Senator Johnson and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2524** at this time on its second reading:

HB 2524, Relating to the recovery of fees, court costs, and expenses in family law proceedings.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2524 ON THIRD READING

Senator Johnson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2524** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2193 ON SECOND READING

On motion of Senator Menéndez and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2193** at this time on its second reading:

HB 2193, Relating to a study by the Texas Veterans Commission regarding the provision of veterans benefits in this state.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2193 ON THIRD READING

Senator Menéndez moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2193** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE**HOUSE BILL 163 ON SECOND READING**

On motion of Senator Blanco and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 163** at this time on its second reading:

CSHB 163, Relating to the possession and administration of epinephrine delivery systems by certain entities.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 163 ON THIRD READING**

Senator Blanco moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 163** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3214 ON SECOND READING

Senator Paxton moved to suspend the regular order of business to take up for consideration **HB 3214** at this time on its second reading:

HB 3214, Relating to eligibility for a master plumber license.

The motion prevailed.

Senator Cook asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Cook.

HOUSE BILL 3214 ON THIRD READING

Senator Paxton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3214** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Cook.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 2310 ON SECOND READING

Senator Parker moved to suspend the regular order of business to take up for consideration **HB 2310** at this time on its second reading:

HB 2310, Relating to developing a strategic plan for the improvement and expansion of early learning and educational opportunities for young children with disabilities.

The motion prevailed.

Senator Sparks asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Sparks.

HOUSE BILL 2310 ON THIRD READING

Senator Parker moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2310** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Sparks.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 2464 ON SECOND READING

Senator Middleton moved to suspend the regular order of business to take up for consideration **HB 2464** at this time on its second reading:

HB 2464, Relating to the authority of a municipality to regulate a home-based business.

The motion prevailed.

Senators Eckhardt and West asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Eckhardt, West.

HOUSE BILL 2464 ON THIRD READING

Senator Middleton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2464** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 29, Nays 2.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Creighton, Flores, Gutierrez, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, Johnson, King, Kolkhorst, Menéndez, Middleton, Miles, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Zaffirini.

Nays: Eckhardt, West.

The bill was read third time and was passed by the following vote: Yeas 29, Nays 2. (Same as previous roll call)

HOUSE BILL 2282 ON THIRD READING

Senator Perry moved to suspend the regular order of business to take up for consideration **HB 2282** at this time on its third reading and final passage:

HB 2282, Relating to the amount of the reimbursement fee paid by a defendant for a peace officer's services in executing or processing an arrest warrant, capias, or capias pro fine.

The motion prevailed by the following vote: Yeas 21, Nays 10.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, West.

Nays: Alvarado, Blanco, Cook, Eckhardt, Gutierrez, Hagenbuch, Johnson, Menéndez, Miles, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 21, Nays 10. (Same as previous roll call)

HOUSE BILL 4395 ON SECOND READING

On motion of Senator West and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 4395** at this time on its second reading:

HB 4395, Relating to electronic submission and delivery of public securities and records of proceedings for those securities.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 4395 ON THIRD READING

Senator West moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 4395** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE HOUSE BILL 43 ON SECOND READING

Senator Sparks moved to suspend the regular order of business to take up for consideration **CSHB 43** at this time on its second reading:

CSHB 43, Relating to the Texas Agricultural Finance Authority and certain programs administered by the authority.

The motion prevailed.

Senator Hall asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Sparks offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 43** (senate committee report) as follows:

(1) In SECTION 9 of the bill, amending Section 58.075(a), Agriculture Code (page 4, line 14), strike "\$750,000" and substitute "\$1 million".

(2) In SECTION 13 of the bill, amending Section 58.093, Agriculture Code (page 4, line 39), strike "\$100,000" and substitute "\$500,000".

(3) Add the following appropriately numbered SECTION to the bill:

SECTION _____. Section 58.023, Agriculture Code, is amended by adding Subsection (e) to read as follows:

(e) The board shall adopt rules to allow a recipient of a loan or grant under a program administered by the board:

(1) to use a portion of the loan or the grant to apply for other forms of financial assistance, including matching federal funds; and

(2) to use the loan or grant in conjunction with financial assistance provided through another state or federal program.

(4) Strike SECTION 17 of the bill (page 5, lines 11 through 18).

(5) Strike SECTION 19 of the bill (page 5, lines 25 through 33) and substitute the following:

SECTION 19. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2025.

(6) Renumber the SECTIONS of the bill accordingly.

The amendment to **CSHB 43** was read and was adopted without objection.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

CSHB 43 as amended was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hall.

COMMITTEE SUBSTITUTE HOUSE BILL 43 ON THIRD READING

Senator Sparks moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 43** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Hall.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 5693 ON SECOND READING

Senator Nichols moved to suspend the regular order of business to take up for consideration **HB 5693** at this time on its second reading:

HB 5693, Relating to the election of the commissioners of the Jefferson County Drainage District No. 7.

The motion prevailed.

Senator Hall asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hall.

HOUSE BILL 5693 ON THIRD READING

Senator Nichols moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 5693** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Hall.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

(President in Chair)

HOUSE BILL 1991 ON SECOND READING

On motion of Senator Gutierrez and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1991** at this time on its second reading:

HB 1991, Relating to information regarding certain charges for services provided by municipally owned utility systems.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 1991 ON THIRD READING

Senator Gutierrez moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1991** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

SENATE BILL 3 WITH HOUSE AMENDMENTS

Senator Perry called **SB 3** from the President's table for consideration of the House amendments to the bill.

The President laid the bill and the House amendments before the Senate.

Amendment

Amend **SB 3** by substituting in lieu thereof the following:

A BILL TO BE ENTITLED
AN ACT

relating to the regulation of products derived from hemp, including consumable hemp products and hemp beverages and the hemp-derived cannabinoids contained in those products; requiring occupational licenses and permits; imposing fees; creating criminal offenses; authorizing civil penalties; imposing taxes.

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

SECTION 1. (a) Section 121.003(a), Agriculture Code, is amended to read as follows:

(a) The department, after consulting with the governor and attorney general, shall develop a state plan to monitor and regulate the production of hemp in this state. The plan must comply with:

- (1) 7 U.S.C. Section 1639p;
- (2) Chapter 122; ~~[and]~~
- (3) Chapter 443, Health and Safety Code; and
- (4) Title 7, Alcoholic Beverage Code, as effective January 1, 2027.

(b) Effective January 1, 2027, Section 121.003(a), Agriculture Code, is amended to read as follows:

(a) The department, after consulting with the governor and attorney general, shall develop a state plan to monitor and regulate the production of hemp in this state. The plan must comply with:

- (1) 7 U.S.C. Section 1639p;
- (2) Chapter 122; and
- (3) Title 7, Alcoholic Beverage Code ~~[Chapter 443, Health and Safety Code].~~

SECTION 2. Effective January 1, 2027, Section 122.001(3), Agriculture Code, is amended to read as follows:

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

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

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

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

(ii) a person licensed under Title 7, Alcoholic Beverage ~~[Chapter 443, Health and Safety]~~ Code.

SECTION 3. Section 122.001(8), Agriculture Code, is amended to read as follows:

(8) "Nonconsumable hemp product" means a product that contains hemp, other than a consumable hemp product as defined by Section 1.04, Alcoholic Beverage ~~[443.001, Health and Safety]~~ Code. The term includes cloth, cordage, fiber, fuel, paint, paper, particleboard, and plastics derived from hemp.

SECTION 4. Effective January 1, 2027, Section 122.101(b), Agriculture Code, is amended to read as follows:

(b) A person is not required to hold a license under this subchapter to manufacture a consumable hemp product in accordance with Subtitle A, Title 6, Health and Safety Code, and Title 7, Alcoholic Beverage Code.

SECTION 5. Section 122.151(a), Agriculture Code, is amended to read as follows:

(a) Subject to Subsection (b), testing under this subchapter or Section 122.053 must be performed by:

- (1) the department;
- (2) an institution of higher education; or
- (3) an independent testing laboratory:
 - (A) registered under Section 122.152; and
 - (B) licensed under Chapter 302, Alcoholic Beverage Code.

SECTION 6. Section 122.301(b), Agriculture Code, is amended to read as follows:

(b) A state agency may not authorize a person to manufacture a product containing hemp for the burning or igniting of the hemp and inhaling the smoke or heating the hemp and inhaling the resulting vapor or aerosol ~~[smoking, as defined by Section 443.001, Health and Safety Code].~~

SECTION 7. Section 1.04, Alcoholic Beverage Code, is amended by adding Subdivisions (4-a), (32), (33), (34), (35), (36), and (37) to read as follows:

(4-a) "Illicit consumable hemp product" means a consumable hemp product:

(A) manufactured, processed, distributed, bought, sold, stored, possessed, imported, or transported in violation of this code;

(B) on which a tax imposed by the laws of this state has not been paid;

or

(C) possessed, kept, stored, owned, or imported with intent to sell, distribute, process, store, or transport in violation of this code.

(32) "Certificate of analysis" means an official document issued by a hemp testing laboratory:

(A) documenting the testing results of a particular sample that includes:

- (i) the concentration of cannabinoid analytes;
- (ii) data on the level of tetrahydrocannabinols; or
- (iii) other measures as established by commission rule; and

(B) stating whether the sample passed or failed any sample requirements established under Title 7 or a rule adopted under that title.

(33) "Consumable hemp product" means a food, drug, device, or cosmetic, as those terms are defined by Section 431.002, Health and Safety Code, that contains hemp or one or more cannabinoids. The term does not include a topical product containing hemp, a hemp beverage, or natural hemp flower as that term is defined by Section 301.001.

(34) "Hemp" has the meaning assigned by Section 121.001, Agriculture Code.

(35) "Hemp beverage" means a beverage that:

- (A) contains hemp or one or more hemp-derived cannabinoids;

(B) does not contain any amount of converted cannabinoids or synthetic cannabinoids as those terms are defined by Section 301.001;

(C) does not contain or is not mixed with alcohol, caffeine, tobacco, nicotine, kratom, kava, psychoactive mushrooms, or a derivative of any of those items; and

(D) contains 10 milligrams or less of delta-9 tetrahydrocannabinol, except as provided by Section 59.10.

(36) "Hemp retailer" means a person licensed under Section 310.302 or 310.303.

(37) "Hemp testing laboratory" means a laboratory, including a laboratory at an institution of higher education, as defined by Section 61.003, Education Code, authorized by and licensed under Section 305.001 to test hemp, including natural hemp flower and hemp biomass as those terms are defined by Section 301.001, hemp beverages, and consumable hemp products.

SECTION 8. The heading to Section 5.05, Alcoholic Beverage Code, is amended to read as follows:

Sec. 5.05. RELATIONSHIP WITH ALCOHOLIC BEVERAGE OR CONSUMABLE HEMP PRODUCT BUSINESS PROHIBITED.

SECTION 9. Sections 5.05(a) and (d), Alcoholic Beverage Code, are amended to read as follows:

(a) A person may not be appointed to or serve on the commission, or hold an office under the commission, or be employed by the commission, if the person is employed by or has a financial interest in an alcoholic beverage or consumable hemp product business. For purposes of this subsection, a person has a financial interest in an alcoholic beverage or consumable hemp product business if:

(1) the person owns or controls, directly or indirectly, an ownership interest of:

(A) at least five percent in a single alcoholic beverage or consumable hemp product business, including the right to share in profits, proceeds, or capital gains; or

(B) at least five percent cumulative interest, including the right to share in profits, proceeds, or capital gains, in multiple alcoholic beverage or consumable hemp product businesses; or

(2) the person's spouse or child has an ownership interest described by Subdivision (1).

(d) A person may not be a member of the commission and may not be a commission employee employed in a "bona fide executive, administrative, or professional capacity," as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.), if:

(1) the person is an officer, employee, or paid consultant of a Texas trade association in the field of alcoholic beverages or consumable hemp products; or

(2) the person's spouse is an officer, manager, or paid consultant of a Texas trade association in the field of alcoholic beverages or consumable hemp products.

SECTION 10. Section 5.17, Alcoholic Beverage Code, is amended to read as follows:

Sec. 5.17. SUITS AGAINST THE COMMISSION: VENUE. In all suits against the commission, except appeals governed by Section 11.67, ~~[or]~~ 32.18, or 310.031 of this code, venue is in Travis County.

SECTION 11. Subchapter A, Chapter 5, Alcoholic Beverage Code, is amended by adding Section 5.22 to read as follows:

Sec. 5.22. HEMP ADVISORY COMMITTEE. (a) The commission by rule may establish an advisory committee to assist the commission in rulemaking and the development of a licensing and enforcement system for hemp beverages and consumable hemp products.

(b) If the commission establishes an advisory committee under this section, the advisory committee must include at least the following members appointed by the administrator:

(1) more than one representative of the Department of State Health Services;

(2) more than one representative of the Department of Public Safety;

(3) a peace officer representing a local law enforcement agency;

(4) a scientist with expertise in the laboratory testing of cannabis;

(5) an attorney with expertise in cannabis regulation;

(6) a person licensed under Subchapter B, Chapter 310;

(7) a person licensed under Subchapter D, Chapter 310;

(8) a person licensed under Chapter 62 or 63 who also holds a permit under Chapter 59; and

(9) a person licensed under Chapter 64 or 66 who also holds a permit under Chapter 59.

SECTION 12. Sections 5.31(a) and (b), Alcoholic Beverage Code, are amended to read as follows:

(a) The commission may exercise all powers, duties, and functions conferred by this code, and all powers incidental, necessary, or convenient to the administration of this code. It shall inspect, supervise, and regulate every phase of the business of manufacturing, importing, exporting, transporting, storing, selling, advertising, labeling, and distributing alcoholic beverages and consumable hemp products, and the possession of alcoholic beverages and consumable hemp products for the purpose of sale or otherwise. It may prescribe and publish rules necessary to carry out the provisions of this code.

(b) The commission shall:

(1) protect the public safety by deterring and detecting violations of this code;

(2) promote legal and responsible alcohol and consumable hemp product consumption;

(3) ensure fair competition within the alcoholic beverage and consumable hemp product industries [industry];

(4) ensure consistent, predictable, and timely enforcement of this code;

(5) ensure a consistent, predictable, and timely licensing and permitting process;

(6) promote and foster voluntary compliance with this code; and

(7) communicate the requirements of this code clearly and consistently.

SECTION 13. Section 5.32, Alcoholic Beverage Code, is amended to read as follows:

Sec. 5.32. MAY REQUIRE REPORTS. The commission may require persons engaged in the alcoholic beverage or consumable hemp product business to provide information, records, or other documents the commission finds necessary to accomplish the purposes of this code.

SECTION 14. Section 5.35, Alcoholic Beverage Code, is amended to read as follows:

Sec. 5.35. ISSUANCE OF PERMITS AND LICENSES. The commission may grant, refuse, suspend, or cancel alcoholic beverage permits and licenses and consumable hemp product licenses as provided in this code.

SECTION 15. Section 5.36, Alcoholic Beverage Code, is amended to read as follows:

Sec. 5.36. INVESTIGATION OF VIOLATIONS. ~~[(a)]~~ The commission shall investigate violations of this code and of other laws relating to alcoholic beverages and consumable hemp products, and shall cooperate in the prosecution of offenders before any court of competent jurisdiction. The commission may seize alcoholic beverages and consumable hemp products manufactured, sold, kept, imported, or transported in violation of this code and apply for the confiscation of the beverages and products if required to do so by this code.

SECTION 16. Sections 5.362(b) and (d), Alcoholic Beverage Code, are amended to read as follows:

(b) For each violation for which a license or permit may be suspended, the schedule of sanctions must include the number of days a permit or license would be suspended and the corresponding civil penalty under Section 11.64 or 310.027.

(d) The schedule must:

(1) allow deviations from the schedule for clearly established mitigating circumstances, including circumstances listed in Sections ~~[Section]~~ 11.64(c) and 310.027(b), or aggravating circumstances; and

(2) include a list of the most common violations by members of the manufacturing, wholesaling, and retailing tiers of the alcoholic beverage and consumable hemp product industries ~~[industry]~~ and the sanctions assessed for those violations.

SECTION 17. The heading to Section 5.38, Alcoholic Beverage Code, is amended to read as follows:

Sec. 5.38. QUALITY AND PURITY OF ALCOHOLIC AND HEMP BEVERAGES AND CONSUMABLE HEMP PRODUCTS.

SECTION 18. Section 5.38, Alcoholic Beverage Code, is amended by adding Subsection (d) to read as follows:

(d) The commission may require a test of the contents of a hemp beverage or consumable hemp product manufactured or sold in this state for the same purposes provided for testing alcoholic beverages under Subsection (c). The commission may use a hemp testing lab licensed under Chapter 301 to conduct testing under this subsection.

SECTION 19. Section 5.48(a), Alcoholic Beverage Code, is amended to read as follows:

(a) "Private records," as used in this section, means all records of a permittee, licensee, or other person other than the name, proposed location, and type of permit or license sought in an application for an original or renewal permit or license, or in a periodic report relating to the importation, distribution, or sale of alcoholic beverages or consumable hemp products required by the commission to be regularly filed by a permittee or licensee.

SECTION 20. Section 5.50(b-1), Alcoholic Beverage Code, is amended to read as follows:

(b-1) The commission shall develop a process for setting fees that ensures the amount of the fees for an original or renewal certificate, permit, or license is sufficient to cover the costs incurred by the commission in administering this code. The process must:

(1) allow the commission to:

(A) consider relevant information including the type of business being regulated and the level of regulatory activities associated with each certificate, permit, or license; and

(B) set different fees for the same original or renewal certificate, permit, or license if the commission determines the level of regulatory activities associated with a certificate, permit, or license varies; and

(2) ensure that the commission does not overly penalize any segment of the alcoholic beverage or consumable hemp product industry or impose an undue hardship on small businesses.

SECTION 21. Sections 5.57(a), (b), and (c), Alcoholic Beverage Code, are amended to read as follows:

(a) The commission shall develop a formal process for making policy decisions regarding marketing practices regulations and for communicating those decisions to agency staff and the alcoholic beverage and consumable hemp product industries [~~industry~~].

(b) The commission shall gather input from a diverse group of representatives of the alcoholic beverage and consumable hemp product industries [~~industry~~] regarding regulatory issues and interpretations of this code and commission rules.

(c) The commission shall make a reasonable attempt to meet with [~~alcoholic beverage industry~~] representatives from the alcoholic beverage and consumable hemp product industries, including representatives from:

(1) the manufacturing, distribution, and retail tiers of the industries [~~industry~~]; and

(2) the liquor, malt beverage, and wine segments of the alcoholic beverage industry.

SECTION 22. Section 11.64(a), Alcoholic Beverage Code, is amended to read as follows:

(a) When the commission or administrator is authorized to suspend a permit or license under this code, the commission or administrator shall give the permittee or licensee the opportunity to pay a civil penalty rather than have the permit or license suspended, unless the basis for the suspension is a violation of Section 11.61(b)(14), 22.12, 28.11, 32.17(a)(2), 32.17(a)(3), 61.71(a)(5), 61.71(a)(6), 61.74(a)(14), 69.13, 71.09, 101.04, 101.63, 104.01(a)(4), 106.03, 106.06, or 106.15, the sale or offer for

sale of an alcoholic beverage during hours prohibited by Chapter 105, consumption or the permitting of consumption of an alcoholic beverage on the person's licensed or permitted premises during hours prohibited by Chapter 105 or Section 32.17(a)(7), a violation or offense related to a hemp beverage, or an offense relating to prostitution, trafficking of persons, gambling, or controlled substances or drugs, in which case the commission or administrator shall determine whether the permittee or licensee may have the opportunity to pay a civil penalty rather than have the permit or license suspended. The commission shall adopt rules addressing when suspension may be imposed pursuant to this section without the opportunity to pay a civil penalty. In adopting rules under this subsection, the commission shall consider the type of license or permit held, the type of violation, any aggravating or ameliorating circumstances concerning the violation, and any past violations of this code by the permittee or licensee. In cases in which a civil penalty is assessed, the commission or administrator shall determine the amount of the penalty. The amount of the civil penalty may not be less than \$150 or more than \$25,000 for each day the permit or license was to have been suspended. If the licensee or permittee does not pay the penalty before the sixth day after the commission or administrator notifies the licensee or permittee ~~him~~ of the amount, the commission or administrator shall impose the suspension.

SECTION 23. Sections 28.01(a) and (c), Alcoholic Beverage Code, are amended to read as follows:

(a) The holder of a mixed beverage permit may sell, offer for sale, and possess mixed beverages, including distilled spirits and hemp beverages, for consumption on the licensed premises:

(1) from sealed containers containing not less than one fluid ounce nor more than two fluid ounces or of any legal size; and

(2) from unsealed containers.

(c) The holder of a mixed beverage permit may also:

(1) purchase hemp beverages, wine, and malt beverages containing alcohol of not more than 24 percent by volume in containers of any legal size from any permittee or licensee authorized to sell those beverages for resale; and

(2) sell the hemp beverages, wine, and malt beverages for consumption on the licensed premises.

SECTION 24. Section 28.1001, Alcoholic Beverage Code, is amended by adding Subsection (a-3) to read as follows:

(a-3) In addition to the requirements of Subsection (a-1) for an alcoholic beverage, a hemp beverage delivered to an ultimate consumer located off-premises that is not in an original container sealed by the manufacturer must be in a tamper-proof container that is sealed by the permit holder and clearly labeled with the permit holder's business name and the letters "THC."

SECTION 25. Section 32.155, Alcoholic Beverage Code, is amended by adding Subsection (b-1) to read as follows:

(b-1) In addition to the requirements of Subsection (b) for an alcoholic beverage, a hemp beverage delivered to an ultimate consumer located off-premises that is not in an original container sealed by the manufacturer must be in a tamper-proof container that is sealed by the permit holder and clearly labeled with the name of the private club registration permit holder and the letters "THC."

SECTION 26. Section 41.01, Alcoholic Beverage Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) The holder of a carrier permit who holds a hemp beverage permit may transport hemp beverages into and out of this state and between points within the state to a person authorized to sell or possess hemp beverages. The holder may transport hemp beverages from one wet area to another wet area across a dry area if that course of transportation is necessary or convenient.

SECTION 27. Subtitle A, Title 3, Alcoholic Beverage Code, is amended by adding Chapter 59 to read as follows:

CHAPTER 59. HEMP BEVERAGE PERMIT

Sec. 59.01. CERTAIN PROVISIONS RELATED TO ALCOHOLIC BEVERAGES AND MALT BEVERAGES. Unless otherwise provided by this code or the context indicates otherwise, for the purposes of this code:

- (1) the term "alcoholic beverage" includes a hemp beverage;
- (2) the term "malt beverage" includes a hemp beverage; and
- (3) the terms "brewing" and "brew" when referring to malt beverages include the production of hemp beverages by authorized brewers.

Sec. 59.02. ELIGIBLE PERMIT AND LICENSE HOLDERS. A hemp beverage permit may be issued to the holder of a package store permit, mixed beverage permit, private club registration permit, carrier's permit, consumer delivery permit, brewer's license, nonresident brewer's license, general distributor's license, branch distributor's license, brewpub license, and hemp retailer license.

Sec. 59.03. AUTHORIZED ACTIVITIES. (a) Notwithstanding any other provision of this code, a person must hold a hemp beverage permit to manufacture, produce, sell, import, export, distribute, or possess for the purpose of selling, transporting, storing, or delivering for commercial purposes hemp beverages.

(b) Except as otherwise provided in this code, the holder of a hemp beverage permit may engage in the activities listed in Subsection (a) to the extent authorized by the holder's primary or other secondary permit or license.

Sec. 59.04. FEES. The fee for the issuance of an original or renewal hemp beverage permit issued under this chapter is:

- (1) \$1,800 for the holder of a package store permit;
- (2) \$2,650 for the holder of a mixed beverage permit or private club registration permit;
- (3) \$1,100 for the holder of a carrier's permit;
- (4) \$10,000 for the holder of a consumer delivery permit;
- (5) \$5,000 for the holder of a brewer's license or nonresident brewer's license;
- (6) \$5,000 for the holder of a general distributor's license or branch distributor's license;
- (7) \$1,100 for the holder of a brewpub license; and

(8) \$500 for the holder of a hemp retailer's license.

Sec. 59.05. PACKAGING AND ADVERTISING OR PROMOTION OF HEMP BEVERAGE. (a) A hemp beverage package or container:

(1) must not:

(A) be attractive to children;

(B) bear any resemblance to soda, candy, snacks, medicine, or other food products that are widely distributed and familiar to the public; or

(C) be stocked near products described in Paragraph (B); and

(2) must be tamper evident and child resistant.

(b) A hemp beverage may not be advertised or promoted in any manner that is attractive to children or that could cause a reasonable individual or child to confuse the hemp beverage for soda, medicine, or other beverage products that are widely distributed and familiar to the public.

(c) The commission by rule shall impose restrictions on the holder of a hemp beverage permit with respect to advertising or otherwise promoting hemp beverages to minors to the full extent permitted by the United States Constitution and Texas Constitution.

Sec. 59.06. REQUIRED POSTING OF SIGNS BY CERTAIN PERMIT HOLDERS. (a) A holder of a hemp beverage permit authorized to sell hemp beverages at retail shall prominently display on the permitted or licensed premises, including in any restroom and the check-out or cash register portion of the premises, a sign containing the following information in English and in Spanish:

(1) consumption of a hemp beverage will result in a positive drug test;

(2) a person should not drive or operate machinery if under the influence of a hemp beverage;

(3) consuming alcohol and hemp beverages together may result in unanticipated severe levels of intoxication; and

(4) consult your physician before consuming hemp beverages during pregnancy as doing so is not recommended for mothers.

(b) The sign must be 8-1/2 inches high and 11 inches wide and displayed in a conspicuous manner clearly visible to the public and employees of the permit holder. The English notice must cover approximately two-thirds of the sign, and the Spanish notice must cover approximately one-third of the sign.

(c) The commission shall develop the sign described by this section and post a copy of the sign on the commission's Internet website.

Sec. 59.07. PROHIBITED MIXING OF HEMP BEVERAGES. A holder of a hemp beverage permit authorized to sell hemp beverages at retail may not mix, or recklessly allow anyone on the permitted or licensed premises to mix, a hemp beverage with any other liquid or substance containing alcohol, caffeine, tobacco, nicotine, kratom, kava, psychoactive mushrooms, or a derivative of any of those items.

Sec. 59.08. ELECTRONIC VERIFICATION OF CONSUMER'S IDENTIFICATION. (a) A holder of a hemp beverage permit authorized to sell, serve, or deliver hemp beverages to an ultimate consumer, including the holder of a

consumer delivery permit, or the permit holder's agent, servant, or employee shall, before initiating the sale or delivery, verify that the purchaser or recipient of the delivery is 21 years of age or older.

(b) A person shall verify a purchaser's or recipient's age under Subsection (a) by:

(1) personally inspecting the provided proof of identification;

(2) scanning the provided proof of identification with a device capable of deciphering electronically readable information on a driver's license, commercial driver's license, or identification certificate;

(3) using identification authentication software approved by the Department of Public Safety; and

(4) using any other identification security features the commission determines appropriate.

(c) A proof of identification provided by a purchaser or recipient under this section must contain a physical description and photograph consistent with the person's appearance, purport to establish that the person is 21 years of age or older, and have been issued by a governmental agency. The proof of identification may include a driver's license or identification certificate issued by the Department of Public Safety, a passport, or a military identification card.

(d) A holder of a hemp beverage permit, or the permit holder's agent, servant, or employee may not sell or deliver a hemp beverage to a purchaser or recipient unless the person presents an apparently valid, unexpired proof of identification.

Sec. 59.09. RETAIL SALE OF HEMP BEVERAGE TRAINING PROGRAM.

(a) The commission by rule shall develop a training program on:

(1) the requirements and responsibilities provided by law for persons authorized to sell, serve, or deliver hemp beverages at retail; and

(2) the risks associated with the consumption of hemp beverages.

(b) The holder of a hemp beverage permit authorized to sell hemp beverages at retail, and the holder's agents, servants, and employees, shall annually complete the training program developed by the commission under Subsection (a).

(c) If the holder of a hemp beverage permit authorized to sell hemp beverages at retail is not an individual, the training program under Subsection (a) must be annually completed by an officer, director, or other individual with senior management responsibilities for the holder.

(d) The training program developed under this section is not a seller training program for purposes of Section 106.14.

Sec. 59.10. MULTI-SERVING HEMP BEVERAGE CONTAINER. (a) In this section, "multi-serving hemp beverage" means a beverage that meets all of the requirements of a hemp beverage, except that the beverage is contained in a bottle, keg, or other container that collectively contains more than 10 milligrams of delta-9 tetrahydrocannabinol.

(b) Subject to the restrictions in this section, a hemp beverage permit holder that also holds a brewer's license, nonresident brewer's license, or brewpub license may produce multi-serving hemp beverages. The permit holder may:

(1) sell multi-serving hemp beverages to a hemp beverage permit holder that also holds a brewer's license, nonresident brewer's license, general distributor's license, or branch distributor's license, or to qualified persons outside this state in compliance with that state's law; and

(2) if the permit holder is also licensed under Chapter 62A, self-distribute multi-serving hemp beverages to licensed hemp retailers.

(c) A hemp beverage permit holder that also holds a general distributor's license or branch distributor's license may receive multi-serving hemp beverages from authorized brewers as provided in Subsection (b) and general and branch distributors that also hold a hemp beverage permit. The distributor may only sell multi-serving hemp beverages to a hemp beverage permit holder that is also a mixed beverage permit holder, private club registration permit holder, hemp retailer, general distributor's license holder, branch distributor's license holder, local distributor's permit holder, or a package store permit holder.

(d) A hemp beverage permit holder that also holds a package store permit may sell multi-serving hemp beverages to ultimate consumers for off-premise consumption only and not for the purpose of resale.

(e) A hemp beverage permit holder that also holds a local distributor's permit may sell multi-serving hemp beverages for resale, but only to a hemp beverage permit holder that is also a mixed beverage permit holder, private club registration permit holder, or hemp retailer.

(f) Multi-serving hemp beverages may only be sold to ultimate consumers by a hemp beverage permit holder that also holds a package store permit or off-premise hemp retailer's license.

(g) A hemp beverage permit holder that also holds a package store permit or off-premise hemp retailer's license may deliver, or use a consumer delivery permittee that also holds a hemp beverage permit to deliver, multi-serving hemp beverages to ultimate consumers.

(h) A multi-serving hemp beverage may only be sold or delivered to an ultimate consumer if the total tetrahydrocannabinol concentration is not higher than:

(1) 10 milligrams per ounce for container sizes less than or equal to 1.5 liters; or

(2) one milligram per ounce for container sizes greater than 1.5 liters for beverages marketed as a pre-mixed hemp cocktail.

(i) A hemp beverage permit holder that also holds a mixed beverage permit, private club registration permit, or on-premise hemp retailer's license may use multi-serving hemp beverages to serve, mix, or pour a hemp beverage for sale to an ultimate consumer.

(j) In addition to any other applicable requirements in this code, a multi-serving hemp beverage package:

(1) may not contain more than 15.5 gallons or less than 375 milliliters of multi-serving hemp beverages; and

(2) must clearly and conspicuously display the milligrams of delta-9 tetrahydrocannabinol in one ounce of the beverage.

SECTION 28. Section 61.02(a), Alcoholic Beverage Code, is amended to read as follows:

(a) A license issued under this subtitle [~~code~~] is a purely personal privilege and is subject to revocation as provided in this code. It is not property, is not subject to execution, does not pass by descent or distribution, and ceases on the death of the holder.

SECTION 29. Section 61.13(e), Alcoholic Beverage Code, is amended to read as follows:

(e) A holder of a license issued under this subtitle [~~code~~] who has held a permit for three years or more before the date the holder applied for renewal of the license is not required to furnish a surety bond if the holder:

(1) has not had a license or permit issued under this code revoked in the five years before the date the holder applied for renewal of the license;

(2) is not the subject of a pending permit or license revocation proceeding;
and

(3) has continuously operated on the licensed premises for three years or more before the date the holder applied for renewal of the license.

SECTION 30. Section 61.31(b), Alcoholic Beverage Code, is amended to read as follows:

(b) On receipt of an application for a license under this subtitle [~~code~~], the commission shall follow the procedure under Section 11.43.

SECTION 31. Section 61.314(b), Alcoholic Beverage Code, is amended to read as follows:

(b) The commission may give due consideration to the recommendations of a person listed under Subsection (a) when evaluating an application for a license under this subtitle [~~code~~].

SECTION 32. Section 61.381(a), Alcoholic Beverage Code, is amended to read as follows:

(a) An applicant for a license issued under this subtitle [~~code~~] for a location not previously licensed for the on-premises consumption of alcoholic beverages must, not later than the 60th day before the date the license is issued, prominently post an outdoor sign at the location stating that alcoholic beverages are intended to be served on the premises, the type of license, and the name and business address of the applicant.

SECTION 33. Section 61.421(b), Alcoholic Beverage Code, is amended to read as follows:

(b) The commission shall deny an application for an original or renewal license authorizing on-premises consumption of alcoholic beverages if the commission has reasonable grounds to believe and finds that, during the three years preceding the date the license application was filed, a license or permit previously held under this subtitle [~~code~~] by the applicant, a person who owns the premises for which the license is sought, or an officer of a person who owns the premises for which the license is sought was canceled or not renewed as a result of a shooting, stabbing, or other violent act.

SECTION 34. Section 62.09, Alcoholic Beverage Code, is amended to read as follows:

Sec. 62.09. MALT BEVERAGES FOR EXPORT. (a) Regardless of any other provision of this code, a holder of a brewer's license may brew and package malt beverages or import them from outside the state, for shipment out of the state, even though the alcohol content, containers, packages, or labels make the beverages illegal to sell within the state. The licensee may export the beverages out of state or deliver them at the licensee's premises for shipment out of the state without being liable for any state tax on malt beverages sold for resale in the state.

(b) This section does not apply to the import or export of hemp beverages.

SECTION 35. Section 64.01, Alcoholic Beverage Code, is amended by adding Subsection (c) to read as follows:

(c) Notwithstanding Subsection (a), the holder of a general distributor's license who also holds a hemp beverage permit may only distribute or sell hemp beverages to:

(1) the holder of a hemp beverage permit that is also a general distributor's license holder, branch distributor's license holder, local distributor's permit holder, package store permit holder, mixed beverage permit holder, private club registration permit holder, or a hemp retailer; and

(2) qualified persons outside the state in compliance with that state's law.

SECTION 36. Section 64.08(a), Alcoholic Beverage Code, is amended to read as follows:

(a) The holder of a general distributor's license may sell malt beverages, not including hemp beverages, for use as an ingredient in the manufacturing and processing of food products.

SECTION 37. Section 64.09(a), Alcoholic Beverage Code, is amended to read as follows:

(a) In this section "malt beverages for export" means malt beverages a distributor holds for export to another state in which the distributor has been assigned a territory for the distribution and sale of the malt beverages. The term includes malt beverages that are illegal to sell in this state because of alcohol content, containers, packages, or labels. The term does not include hemp beverages that are illegal to sell in this state because of content, containers, packages, or labels.

SECTION 38. Section 66.11(a), Alcoholic Beverage Code, is amended to read as follows:

(a) In this section "malt beverages for export" means malt beverages a distributor holds for export to another state in which the distributor has been assigned a territory for the distribution and sale of the malt beverages. The term includes malt beverages that are illegal to sell in this state because of alcohol content, containers, packages, or labels. The term does not include hemp beverages that are illegal to sell in this state because of content, containers, packages, or labels.

SECTION 39. Chapter 74, Alcoholic Beverage Code, is amended by adding Section 74.10 to read as follows:

Sec. 74.10. SALES OF HEMP BEVERAGES TO RETAILERS AND DISTRIBUTORS. (a) Notwithstanding any other provision of this chapter, a holder of a brewpub license who also holds a hemp beverage permit may manufacture hemp beverages.

(b) A holder of a brewpub license who also holds a hemp beverage permit and a mixed beverage permit may sell hemp beverages to ultimate consumers as provided under this section.

(c) A holder of a brewpub license who holds a hemp beverage permit but does not hold a mixed beverage permit may sell hemp beverages produced under the license to hemp retailers and general or branch distributors that also hold a hemp beverage permit in the same manner as the license holder may sell malt beverages under Sections 74.08 and 74.09.

SECTION 40. Section 101.02, Alcoholic Beverage Code, is amended to read as follows:

Sec. 101.02. ARREST WITHOUT WARRANT. A peace officer may arrest without a warrant any person the officer ~~he~~ observes violating any provision of this code or any rule or regulation of the commission. The officer shall take possession of all illicit beverages and illicit consumable hemp products the person has in the person's ~~his~~ possession or on the person's ~~his~~ premises as provided in Chapter 103 of this code.

SECTION 41. Section 101.03(a), Alcoholic Beverage Code, is amended to read as follows:

(a) A search warrant may issue under Chapter 18, Code of Criminal Procedure, 1965, as amended, to search for, seize, and destroy or otherwise dispose of in accordance with this code:

- (1) an illicit beverage or illicit consumable hemp product;
- (2) any equipment or instrumentality used, or capable or designed to be used, to manufacture an illicit beverage or illicit consumable hemp product;
- (3) a vehicle or instrumentality used or to be used for the illegal transportation of an illicit beverage or illicit consumable hemp product;
- (4) unlawful equipment or materials used or to be used in the illegal manufacturing of an illicit beverage or illicit consumable hemp product;
- (5) a forged or counterfeit stamp, die, plate, official signature, certificate, evidence of tax payment, license, permit, or other instrument pertaining to this code; or

- (6) any instrumentality or equipment, or parts of either of them, used or to be used, or designed or capable of use, to manufacture, print, etch, indite, or otherwise make a forged or counterfeit instrument covered by Subdivision (5) of this subsection.

SECTION 42. The heading to Section 101.31, Alcoholic Beverage Code, is amended to read as follows:

Sec. 101.31. ALCOHOLIC BEVERAGES AND CONSUMABLE HEMP PRODUCTS IN DRY AREAS.

SECTION 43. Section 101.31, Alcoholic Beverage Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) Except as otherwise provided in this code, no person in a dry area as to consumable hemp products may manufacture, process, sell, import, export, transport, distribute, store, solicit or take orders for, or possess with intent to sell a consumable hemp product.

SECTION 44. Section 101.41, Alcoholic Beverage Code, is amended by amending Subsection (c) and adding Subsection (e) to read as follows:

(c) The label of a container of malt beverages, not including a hemp beverage, must state:

- (1) the net contents in terms of United States liquor measure; and
- (2) the alcohol content by volume.

(e) The label of a container of hemp beverages must state:

- (1) the net contents in terms of ounces of liquid;
- (2) the percentage and total amount in milligrams of each cannabinoid contained in the beverage;
- (3) a warning that consumption of the beverage impairs a person's ability to drive a car or operate machinery, may cause health problems, and may result in a positive drug test;
- (4) a warning that the consumer should consult a physician before consuming a hemp beverage during pregnancy as doing so is not recommended for mothers; and
- (5) a warning that consuming alcohol and hemp beverages together may result in unanticipated severe levels of intoxication.

SECTION 45. Section 101.66, Alcoholic Beverage Code, is amended to read as follows:

Sec. 101.66. BEVERAGES OF CERTAIN ALCOHOL CONTENT PROHIBITED. (a) A person may not manufacture, sell, barter, or exchange a beverage that contains more than one-half of one percent alcohol by volume and not more than five percent alcohol by volume, except malt beverages, wine coolers, and spirit coolers.

(b) A person may not manufacture, sell, barter, or exchange a hemp beverage that contains any alcohol by volume.

SECTION 46. Section 101.67, Alcoholic Beverage Code, is amended by amending Subsections (a), (d), (e), and (f) and adding Subsections (a-1) and (a-2) to read as follows:

(a) Before an authorized licensee may ship or cause to be shipped into the state, import into the state, manufacture and offer for sale in the state, or distribute, sell, or store in the state any malt beverages, the licensee must register the malt beverages with the commission. Except as provided by Subsection (a-1), the [The] registration application must include a certificate of label approval issued by the United States Alcohol and Tobacco Tax and Trade Bureau for the product.

(a-1) The registration application for a hemp beverage must include a certificate of analysis issued by a hemp testing laboratory licensed under Section 305.001.

(a-2) Each different sized container of the same type of hemp beverage produced by a holder of a brewer's or nonresident brewer's license requires an individual registration with the commission.

(d) On registration of a certificate of label approval issued by the United States Alcohol and Tobacco Tax and Trade Bureau or a certificate of analysis issued by a hemp testing laboratory, as applicable, the commission shall approve the product under this section and issue a letter to that effect to the licensee unless the commission determines the product, despite having a valid federal certificate of label approval or a certificate of analysis issued by a hemp testing laboratory, would create a public safety concern, create a cross-tier violation, or otherwise violate this code.

(e) Not later than the 30th day after the date the commission receives an application for registration of a product under this section, the commission shall either approve or deny the registration application. If the commission denies the application for a product with a valid federal certificate of label approval or a certificate of analysis issued by a hemp testing laboratory or fails to act on the application within the time required by this subsection, the licensee submitting the application is entitled to an administrative hearing before the State Office of Administrative Hearings.

(f) The commission by rule shall establish procedures for:

(1) accepting federal certificates of label approval or certificates of analysis issued by a hemp testing laboratory for registration under this section;

(2) registering alcoholic beverage products, other than hemp beverages, that are not eligible to receive a certificate of label approval issued by the United States Alcohol and Tobacco Tax and Trade Bureau; and

(3) registering alcoholic beverage products, other than hemp beverages, during periods when the United States Alcohol and Tobacco Tax and Trade Bureau has ceased processing applications for a certificate of label approval.

SECTION 47. Section 101.6701, Alcoholic Beverage Code, is amended by adding Subsection (e) to read as follows:

(e) This section does not apply to hemp beverages.

SECTION 48. Subchapter D, Chapter 101, Alcoholic Beverage Code, is amended by adding Section 101.6702 to read as follows:

Sec. 101.6702. HEMP BEVERAGE AUTHORIZATION. (a) The commission shall by rule develop a process by which a sample representing a hemp beverage is tested and approved by the commission before the beverage is made available for sale or otherwise introduced into commerce in this state.

(b) In approving a hemp beverage under Subsection (a), the commission shall ensure that the hemp beverage is labeled in accordance with the requirements of Sections 101.41(e), 322.001, and 322.002.

(c) The commission shall ensure that each hemp beverage container, including containers for multi-serving hemp beverages as that term is defined under Section 59.10, has a delta-9 tetrahydrocannabinol content that complies with the requirements of this code.

(d) The commission shall use hemp testing laboratories licensed under Section 305.001 to conduct testing.

SECTION 49. Sections 101.70(a) and (c), Alcoholic Beverage Code, are amended to read as follows:

(a) A room, building, boat, structure, or other place where alcoholic beverages or consumable hemp products are sold, bartered, manufactured, stored, possessed, or consumed in violation of this code or under circumstances contrary to the purposes of this code, the beverages and products themselves, and all property kept or used in the place, are a common nuisance. A person who maintains or assists in maintaining the nuisance commits an offense.

(c) The plaintiff is not required to give a bond. The final judgment is a judgment in rem against the property and a judgment against the defendant. If the court finds against the defendant, on final judgment it shall order that the place where the

nuisance exists be closed for one year or less and until the owner, lessee, tenant, or occupant gives bond with sufficient surety as approved by the court in the penal sum of at least \$1,000. The bond must be payable to the state and conditioned:

- (1) that this code will not be violated;
- (2) that no person will be permitted to resort to the place to drink alcoholic beverages or consume consumable hemp products in violation of this code; and
- (3) that the defendant will pay all fines, costs, and damages assessed against the defendant ~~[him]~~ for any violation of this code.

SECTION 50. Section 101.71, Alcoholic Beverage Code, is amended to read as follows:

Sec. 101.71. INSPECTION OF VEHICLE. No holder of a permit issued under Title 3, Subtitle A, or a license under Title 7, of this code, may refuse to allow the commission or its authorized representative or a peace officer, on request, to make a full inspection, investigation, or search of any vehicle.

SECTION 51. Chapter 103, Alcoholic Beverage Code, is amended by adding Section 103.001 to read as follows:

Sec. 103.001. ILLICIT CONSUMABLE HEMP PRODUCTS. In this chapter, references to an "illicit beverage" include an illicit consumable hemp product.

SECTION 52. Chapter 106, Alcoholic Beverage Code, is amended by adding Section 106.011 to read as follows:

Sec. 106.011. CERTAIN PROVISIONS RELATED TO CONSUMABLE HEMP PRODUCTS. For the purposes of this chapter, the term "consumable hemp product" includes natural hemp flower, as that term is defined by Section 301.001, that is packaged for and sold at retail.

SECTION 53. The heading to Section 106.02, Alcoholic Beverage Code, is amended to read as follows:

Sec. 106.02. PURCHASE OF ALCOHOL OR CONSUMABLE HEMP PRODUCTS BY A MINOR.

SECTION 54. Section 106.02(a), Alcoholic Beverage Code, is amended to read as follows:

(a) A minor commits an offense if the minor purchases an alcoholic beverage or a consumable hemp product. A minor does not commit an offense if the minor purchases an alcoholic beverage or a consumable hemp product under the immediate supervision of a commissioned peace officer engaged in enforcing the provisions of this code.

SECTION 55. The heading to Section 106.025, Alcoholic Beverage Code, is amended to read as follows:

Sec. 106.025. ATTEMPT TO PURCHASE ALCOHOL OR CONSUMABLE HEMP PRODUCT BY A MINOR.

SECTION 56. Sections 106.03(a), (b), and (d), Alcoholic Beverage Code, are amended to read as follows:

(a) A person commits an offense if with criminal negligence the person ~~[he]~~ sells an alcoholic beverage or a consumable hemp product to a minor.

(b) A person who sells a minor an alcoholic beverage or a consumable hemp product does not commit an offense if the minor falsely represents the minor ~~[himself]~~ to be 21 years old or older by displaying an apparently valid proof of identification

that contains a physical description and photograph consistent with the minor's appearance, purports to establish that the minor is 21 years of age or older, and was issued by a governmental agency. The proof of identification may include a driver's license or identification card issued by the Department of Public Safety, a passport, or a military identification card.

(d) Subsection (b) does not apply to a person who accesses electronically readable information under Section 59.08, 109.61, or 310.307 that identifies a driver's license or identification certificate as invalid.

SECTION 57. The heading to Section 106.04, Alcoholic Beverage Code, is amended to read as follows:

Sec. 106.04. CONSUMPTION OF ALCOHOL OR CONSUMABLE HEMP PRODUCT BY A MINOR.

SECTION 58. Sections 106.04(a), (b), and (e), Alcoholic Beverage Code, are amended to read as follows:

(a) A minor commits an offense if the minor [~~he~~] consumes an alcoholic beverage or a consumable hemp product.

(b) It is an affirmative defense to prosecution under this section that the alcoholic beverage or consumable hemp product was consumed in the visible presence of the minor's adult parent, guardian, or spouse.

(e) Subsection (a) does not apply to a minor who:

(1) requested emergency medical assistance in response to the possible alcohol or consumable hemp product overdose of the minor or another person;

(2) was the first person to make a request for medical assistance under Subdivision (1); and

(3) if the minor requested emergency medical assistance for the possible alcohol or consumable hemp product overdose of another person:

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

(B) cooperated with medical assistance and law enforcement personnel.

SECTION 59. The heading to Section 106.05, Alcoholic Beverage Code, is amended to read as follows:

Sec. 106.05. POSSESSION OF ALCOHOL OR CONSUMABLE HEMP PRODUCT BY A MINOR.

SECTION 60. Sections 106.05(a), (b), and (d), Alcoholic Beverage Code, are amended to read as follows:

(a) Except as provided in Subsection (b) of this section, a minor commits an offense if the minor [~~he~~] possesses an alcoholic beverage or a consumable hemp product.

(b) A minor may possess an alcoholic beverage or a consumable hemp product:

(1) while in the course and scope of the minor's employment if the minor is an employee of a licensee or permittee and the employment is not prohibited by this code;

(2) if the minor is in the visible presence of the minor's [~~his~~] adult parent, guardian, or spouse, or other adult to whom the minor has been committed by a court;

(3) if the minor is under the immediate supervision of a commissioned peace officer engaged in enforcing the provisions of this code; or

(4) if the beverage is lawfully provided to the minor under Section 106.16.

(d) Subsection (a) does not apply to a minor who:

(1) requested emergency medical assistance in response to the possible alcohol or consumable hemp product overdose of the minor or another person;

(2) was the first person to make a request for medical assistance under Subdivision (1); and

(3) if the minor requested emergency medical assistance for the possible alcohol or consumable hemp product overdose of another person:

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

(B) cooperated with medical assistance and law enforcement personnel.

SECTION 61. The heading to Section 106.06, Alcoholic Beverage Code, is amended to read as follows:

Sec. 106.06. PURCHASE OF ALCOHOL OR CONSUMABLE HEMP PRODUCT FOR A MINOR; FURNISHING ALCOHOL OR CONSUMABLE HEMP PRODUCT TO A MINOR.

SECTION 62. Sections 106.06(a), (b), (c-1), (d), and (e), Alcoholic Beverage Code, are amended to read as follows:

(a) Except as provided in Subsection (b), a person commits an offense if the person purchases an alcoholic beverage or a consumable hemp product for or gives an alcoholic beverage or a consumable hemp product to a minor.

(b) A person may purchase an alcoholic beverage or a consumable hemp product for or give an alcoholic beverage to a minor if the person is:

(1) the minor's adult parent, guardian, or spouse, or an adult in whose custody the minor has been committed by a court, and is visibly present when the minor possesses or consumes the alcoholic beverage or consumable hemp product; or

(2) a person lawfully providing an alcoholic beverage to a minor under Section 106.16.

(c-1) An offense under this section is a state jail felony if it is shown on the trial of the offense that the person purchased an alcoholic beverage or a consumable hemp product for or gave an alcoholic beverage or a consumable hemp product to a minor who, as a result of the consumption of the alcoholic beverage or consumable hemp product, caused another person to suffer serious bodily injury or death.

(d) A judge, acting under Chapter 42A, Code of Criminal Procedure, who places a defendant charged with an offense under this section on community supervision under that chapter shall, if the defendant committed the offense at a gathering where participants were involved in the abuse of alcohol, including binge drinking or forcing or coercing individuals to consume alcohol or consumable hemp products, in addition to any other condition imposed by the judge:

(1) require the defendant to:

(A) perform community service for not less than 20 or more than 40 hours; and

(B) attend an alcohol awareness program approved under Section 106.115 or a substance misuse education program under Section 521.374(a)(1), Transportation Code; and

(2) order the Department of Public Safety to suspend the driver's license or permit of the defendant or, if the defendant does not have a driver's license or permit, to deny the issuance of a driver's license or permit to the defendant for 180 days.

(e) Community service ordered under Subsection (d) is in addition to any community service ordered by the judge under Article 42A.304, Code of Criminal Procedure, and must be related to education about or prevention of misuse of alcohol or drugs if programs or services providing that education are available in the community in which the court is located. If programs or services providing that education are not available, the court may order community service that the court considers appropriate for rehabilitative purposes.

SECTION 63. Section 106.07(a), Alcoholic Beverage Code, is amended to read as follows:

(a) A minor commits an offense if the minor ~~[he]~~ falsely states that the minor ~~[he]~~ is 21 years of age or older or presents any document that indicates the minor ~~[he]~~ is 21 years of age or older to a person engaged in selling or serving alcoholic beverages or consumable hemp products.

SECTION 64. The heading to Section 106.071, Alcoholic Beverage Code, is amended to read as follows:

Sec. 106.071. PUNISHMENT FOR HEMP OR ALCOHOL-RELATED OFFENSE BY MINOR.

SECTION 65. Section 106.08, Alcoholic Beverage Code, is amended to read as follows:

Sec. 106.08. IMPORTATION BY A MINOR. No minor may import into this state or possess with intent to import into this state any alcoholic beverage or consumable hemp product.

SECTION 66. The heading to Section 106.115, Alcoholic Beverage Code, is amended to read as follows:

Sec. 106.115. ALCOHOL AWARENESS OR SUBSTANCE MISUSE EDUCATION PROGRAM; LICENSE SUSPENSION.

SECTION 67. Sections 106.115(b-1), (b-2), (c), and (d), Alcoholic Beverage Code, are amended to read as follows:

(b-1) If the defendant resides in a county with a population of 75,000 or less and access to an alcohol awareness or substance misuse education program is not readily available in the county, the court may allow the defendant to take an online alcohol awareness or substance misuse education program approved by the Texas Department of Licensing and Regulation or require the defendant to perform not less than eight hours of community service related to alcohol or drug abuse prevention or treatment instead of attending the alcohol or substance misuse education awareness program. Community service ordered under this subsection is in addition to community service ordered under Section 106.071(d).

(b-2) For purposes of Subsection (b-1), if the defendant is enrolled in an institution of higher education located in a county in which access to an alcohol awareness or substance misuse education program is readily available, the court may consider the defendant to be a resident of that county. If the defendant is not enrolled in such an institution of higher education or if the court does not consider the defendant to be a resident of the county in which the institution is located, the defendant's residence is the residence listed on the defendant's driver's license or personal identification certificate issued by the Department of Public Safety. If the defendant does not have a driver's license or personal identification certificate issued

by the Department of Public Safety, the defendant's residence is the residence on the defendant's voter registration certificate. If the defendant is not registered to vote, the defendant's residence is the residence on file with the public school district on which the defendant's enrollment is based. If the defendant is not enrolled in public school, the defendant's residence is determined by the court.

(c) The court shall require the defendant to present to the court, within 90 days of the date of final conviction, evidence in the form prescribed by the court that the defendant, as ordered by the court, has satisfactorily completed an alcohol awareness or substance misuse education program or performed the required hours of community service. For good cause the court may extend this period by not more than 90 days. If the defendant presents the required evidence within the prescribed period, the court may reduce the assessed fine to an amount equal to no less than one-half of the amount of the initial fine.

(d) If the defendant does not present the required evidence within the prescribed period, the court:

(1) shall order the Department of Public Safety to:

(A) suspend the defendant's driver's license or permit for a period not to exceed six months or, if the defendant does not have a license or permit, to deny the issuance of a license or permit to the defendant for that period; or

(B) if the defendant has been previously convicted of an offense under one or more of the sections listed in Subsection (a), suspend the defendant's driver's license or permit for a period not to exceed one year or, if the defendant does not have a license or permit, to deny the issuance of a license or permit to the defendant for that period; and

(2) may order the defendant or the parent, managing conservator, or guardian of the defendant to do any act or refrain from doing any act if the court determines that doing the act or refraining from doing the act will increase the likelihood that the defendant will present evidence to the court that the defendant has satisfactorily completed an alcohol awareness or substance misuse education program or performed the required hours of community service.

SECTION 68. Section 106.13(a), Alcoholic Beverage Code, is amended to read as follows:

(a) Except as provided in Subsections (b) and (c) of this section, the commission or administrator may cancel or suspend for not more than 90 days a retail license or permit issued under this code or a private club registration permit if it is found, on notice and hearing, that the licensee or permittee with criminal negligence sold, served, dispensed, or delivered an alcoholic beverage or consumable hemp product to a minor or with criminal negligence permitted a minor to violate Section 106.04 or 106.05 of this code on the licensed premises.

SECTION 69. Section 106.14, Alcoholic Beverage Code, is amended by adding Subsection (a-1) to read as follows:

(a-1) In addition to the requirements in Subsection (a), an employee's actions are not attributable to the employer if the employee sells, serves, dispenses, or delivers hemp beverages as authorized under Chapter 59 on the employer's premises and the employee has attended the annual hemp beverage training required under Section 59.09.

SECTION 70. Chapter 106, Alcoholic Beverage Code, is amended by adding Section 106.141 to read as follows:

Sec. 106.141. ACTIONS OF EMPLOYEE OF HEMP RETAILER. For purposes of this chapter and any other provision of this code relating to the sale, service, dispensing, or delivery of consumable hemp products to a minor or an intoxicated person or the consumption of consumable hemp products by a minor or an intoxicated person, the actions of an employee shall not be attributable to the employer if:

(1) the employee has attended the mandatory training under Section 310.304 within the last year; and

(2) the employer has not directly or indirectly encouraged the employee to violate such law.

SECTION 71. Section 107.07, Alcoholic Beverage Code, is amended by amending Subsection (a) and adding Subsection (b) to read as follows:

(a) Except as provided by Subsection (b), a ~~[A]~~ person may import not more than 24 12-ounce bottles or an equivalent quantity of malt beverages, 3 gallons of wine, and 1 gallon of distilled spirits for the person's own personal use without being required to hold a permit. A person importing alcoholic beverages into the state under this subsection must pay the state tax on alcoholic beverages and an administrative fee of \$3 and must affix the required tax stamps. No minor and no intoxicated person may import any alcoholic beverages into the state. A person importing alcoholic beverages under this subsection must personally accompany the alcoholic beverages as the alcoholic beverages enter the state. A person may not use the exemptions set forth in this subsection more than once every thirty days.

(b) This section does not authorize the importation of hemp beverages for personal use.

SECTION 72. Section 107.11, Alcoholic Beverage Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) Except as provided by Subsection (c), a ~~[A]~~ person who is relocating a household may import, or contract with a motor carrier or another person to import, a personal malt beverage, wine, or distilled spirit collection as a part of that person's household goods.

(c) This section does not authorize the importation of a hemp beverage as part of a person's household goods.

SECTION 73. Sections 109.01, 109.02, and 109.03, Alcoholic Beverage Code, are amended to read as follows:

Sec. 109.01. SALE OF SALVAGED OR INSURED LOSS. If a person who does not hold a permit or license to sell alcoholic beverages or consumable hemp products acquires possession of alcoholic beverages or consumable hemp products as an insurer or insurance salvor in the salvage or liquidation of an insured damage or loss sustained in this state by a qualified licensee or permittee, the person [he] may sell the beverages or products in one lot or parcel as provided in this subchapter without being required to obtain a license or permit.

Sec. 109.02. REGISTRATION OF BEVERAGES OR CONSUMABLE HEMP PRODUCTS WITH COMMISSION. Immediately after taking possession of the alcoholic beverages or consumable hemp products, the insurer or insurance salvor

shall register them with the commission, furnishing the commission a detailed inventory and the exact location of the beverages or products. At the time of registration, the registrant shall post with the commission a surety bond in an amount that the administrator finds adequate to protect the state against the taxes due on the beverages or products, if any are due. The registrant shall remit with the registration a fee of \$10. The fee only permits the sale of the beverages or products listed in the registration.

Sec. 109.03. PREREQUISITE TO SALABILITY. An alcoholic beverage or consumable hemp product is salable under this subchapter only if it has not been adulterated, it is fit for human consumption, all tax stamps required by law have been affixed, and the labels are legible as to contents, brand, and manufacturer.

SECTION 74. Subchapter A, Chapter 109, Alcoholic Beverage Code, is amended by adding Section 109.055 to read as follows:

Sec. 109.055. SALE OF CONSUMABLE HEMP PRODUCTS: PROCEDURE.

(a) When the commission is notified under this subchapter of the acquisition of consumable hemp products or their containers or original packages, the commission shall immediately notify a holder of a hemp distributor's license who handles the brand of consumable hemp products or the holder of the hemp manufacturer's license who produced the products.

(b) The insurer or insurance salvor, the commission, and the distributor or manufacturer shall jointly agree whether the consumable hemp products are salable. If the consumable hemp products are determined to be unsalable, the commission shall destroy the products. If the consumable hemp products are determined to be salable, the products must first be offered for sale to the manufacturer or distributor at their cost price, less any state taxes that have been paid on the products.

(c) If the distributor or manufacturer does not exercise the right to purchase the consumable hemp products within 10 days after being given the opportunity to purchase, the insurer or insurance salvor may sell the products to any qualified consumable hemp product licensee in the same manner provided for the sale of alcoholic beverages in Section 109.01.

SECTION 75. Section 109.06, Alcoholic Beverage Code, is amended to read as follows:

Sec. 109.06. PURCHASER'S RIGHT TO USE BEVERAGES OR CONSUMABLE HEMP PRODUCTS. A permittee or licensee who purchases alcoholic beverages or consumable hemp products under this subchapter may treat them as other alcoholic beverages or consumable hemp products acquired by the permittee or licensee [~~him~~] as provided in this code.

SECTION 76. Section 109.21(a), Alcoholic Beverage Code, is amended to read as follows:

(a) The head of a family or an unmarried adult may produce for the person's use or the use of the person's family not more than 200 gallons of wine or malt beverages, not including hemp beverages, per year. No license or permit is required.

SECTION 77. Title 5, Alcoholic Beverage Code, is amended by adding Chapter 202 to read as follows:

CHAPTER 202. CONSUMABLE HEMP PRODUCTS TAX

Sec. 202.001. TIMELY FILING: DILIGENCE. A person filing a report or making a tax payment complies with the filing requirements for timeliness for a report not filed or a payment not made on time if the person exercised reasonable diligence to comply with the filing requirements and the failure to file or the making of a late payment is not the fault of the person.

Sec. 202.002. "FIRST SALE" DEFINED. In this chapter, "first sale" means the first sale of a consumable hemp product by the holder of a hemp manufacturer's license or an out-of-state hemp manufacturer's license to:

- (1) the holder of a hemp manufacturer's license;
- (2) the holder of a hemp distributor's license;
- (3) a hemp retailer; or
- (4) an ultimate consumer in this state for consumption on or off the manufacturer's licensed premises.

Sec. 202.003. TAX ON CONSUMABLE HEMP PRODUCTS. A tax is imposed on the first sale of a consumable hemp product at the rate of two cents per 2.5 milligrams of delta-9 tetrahydrocannabinol contained in the consumable hemp product.

Sec. 202.004. PAYMENT OF TAX; DISCOUNTS. (a) The tax on a consumable hemp product, levied and computed under this chapter, shall be paid by a remittance payable to the comptroller and forwarded together with any required sworn statement or report of taxes due to the commission in Austin on or before the date it is due.

(b) A discount of two percent of the amount due shall be withheld by the licensee for keeping records, furnishing bonds, and properly accounting for the remittance of the tax due. No discount is permitted if the tax is delinquent at the time of payment.

Sec. 202.005. DUE DATE. The tax on a consumable hemp product is due and payable on the 15th of the month following the first sale, together with a report on the tax due.

Sec. 202.006. SUMMARY SUSPENSION. (a) The commission may summarily suspend, without a hearing, the license of a licensee who fails to file a report or return or to make a tax payment required by this chapter. Chapter 2001, Government Code, does not apply to the commission in the enforcement and administration of this section.

(b) A suspension under this section takes effect on the third day after the date the notice of suspension is given. The notice shall be given to the licensee or the licensee's agent or employee by registered or certified mail if not given in person.

(c) The commission shall terminate a suspension made under this section when the licensee files all required returns and makes all required tax payments that are due.

Sec. 202.007. EXEMPTION FROM TAX. (a) No tax may be collected on a consumable hemp product shipped out of state for consumption outside the state.

(b) The commission shall provide forms for claiming the exemption prescribed by this section.

(c) A tax credit shall be allowed for payment of any unintended or excess tax.

Sec. 202.008. REFUND DUE ON DISPOSITION OUTSIDE OF STATE. The holder of any license authorizing the transportation of consumable hemp products out of this state may apply to the commission for a refund of the tax paid on a consumable hemp product on proper proof that the product was sold or disposed of outside of this state.

Sec. 202.009. EXCESS TAX. A licensee is entitled to a refund of or a tax credit on a future tax payment for any excess tax paid on a consumable hemp product through oversight, mistake, error, or miscalculation.

Sec. 202.010. TAX CREDITS AND REFUNDS. The commission shall provide by rule for the equitable and final disposition of tax refunds or credits when the tax on a consumable hemp product is overpaid or paid by mistake. The commission shall prescribe the time and manner for filing claims for credits and refunds and provide appropriate forms.

Sec. 202.011. STATEMENTS. (a) The commission may require the manufacturer of a consumable hemp product processed or manufactured in this state or imported into this state to provide information as to purchases, sales, and shipments to enable the commission to collect the full amount of the tax due on the consumable hemp product. No licensee may fail or refuse to furnish the information.

(b) The commission may seize or withhold from sale the manufacturer's consumable hemp products for failure or refusal to supply the information required under Subsection (a) or to permit the commission to make an investigation of pertinent records whether inside or outside this state.

Sec. 202.012. SALE OF UNTAXED CONSUMABLE HEMP PRODUCTS PROHIBITED. No person may sell, offer for sale, or store for the purpose of sale in this state any consumable hemp product on which the tax, if due, has not been paid.

Sec. 202.013. TAX ON UNSALABLE CONSUMABLE HEMP PRODUCTS. No tax under Section 202.003 may be imposed or collected on a consumable hemp product that for any reason has been found and declared to be unsalable by the commission or administrator. A hemp manufacturer or an out-of-state hemp manufacturer is entitled to a refund of any tax the manufacturer paid on an unsalable consumable hemp product.

Sec. 202.014. EVIDENCE IN SUIT. In a suit brought to enforce the collection of tax owed by the holder of a license authorizing the sale of consumable hemp products in this state, a certificate by the commission or administrator showing the delinquency is prima facie evidence of:

(1) the levy of the tax or the delinquency of the stated amount of tax and penalty; and

(2) compliance by the commission with the provisions of this code relating to the computation and levy of the tax.

Sec. 202.015. PENALTY. A person who violates any section of this chapter except Section 202.008 or 202.012 commits a misdemeanor which on conviction is punishable by a fine of more than \$100 but not more than \$1,000 or by imprisonment in the county jail for more than 30 days but not more than one year. A violation of Section 202.008 or 202.012 is punishable in accordance with Section 1.05.

Sec. 202.016. CONSUMABLE HEMP PRODUCTS TAX DISTRIBUTION. (a) The revenue attributable to taxes imposed under this chapter and Chapter 151, Tax Code, on consumable hemp products shall be deposited to the credit of the general revenue fund. Money deposited under this section may be appropriated only as follows:

(1) one-half of the revenue to the commission for the administration and enforcement of this code with respect to consumable hemp products;

(2) one-fourth of the revenue to accredited crime laboratories; and

(3) one-fourth of the revenue to support opioid and narcotic response services by local law enforcement agencies.

(b) Chapter 205 of this code and Subchapter M, Chapter 151, Tax Code, do not apply to revenue to which this section applies.

SECTION 78. Section 203.01, Alcoholic Beverage Code, is amended to read as follows:

Sec. 203.01. TAX ON MALT BEVERAGES. (a) A tax is imposed on the first sale of malt beverages, not including hemp beverages, brewed in this state or imported into this state at the rate of six dollars per barrel.

(b) A tax is imposed on the first sale of a hemp beverage manufactured in this state or imported into this state at the rate of two cents per 2.5 milligrams of delta-9 tetrahydrocannabinol contained in the hemp beverage.

SECTION 79. Chapter 203, Alcoholic Beverage Code, is amended by adding Section 203.14 to read as follows:

Sec. 203.14. HEMP BEVERAGE TAX DISTRIBUTION. (a) The revenue attributable to taxes imposed under this chapter and Chapters 151 and 183, Tax Code, on hemp beverages shall be deposited to the credit of the general revenue fund. Money deposited under this section may be appropriated only as follows:

(1) one-half of the revenue to the commission for the administration and enforcement of this code with respect to hemp beverages;

(2) one-fourth of the revenue to accredited crime laboratories; and

(3) one-fourth of the revenue to support opioid and narcotic response services by local law enforcement agencies.

(b) Chapter 205 of this code, Subchapter M, Chapter 151, Tax Code, and Subchapter C, Chapter 183, Tax Code, do not apply to revenue to which this section applies.

SECTION 80. Section 251.71, Alcoholic Beverage Code, is amended by adding Subsections (a-1) and (f) and amending Subsection (d) to read as follows:

(a-1) An area is a "dry area" as to consumable hemp products if the sale of the products is unlawful in the area. An area is a "wet area" as to consumable hemp products if the sale of the products is lawful in the area.

(d) In an information, complaint, or indictment, an allegation that an area is a dry area as to a particular type of alcoholic beverage, hemp beverage, or consumable hemp product is sufficient, but a different status of the area may be urged and proved as a defense.

(f) Notwithstanding Section 59.01, a vote to prohibit or legalize the sale of alcoholic beverages, mixed beverages, or malt beverages does not determine whether the sale of hemp beverages is prohibited or legal. An authorized voting unit's status regarding hemp beverages is determined as provided by Section 251.83.

SECTION 81. Section 251.72, Alcoholic Beverage Code, is amended to read as follows:

Sec. 251.72. CHANGE OF STATUS. Except as provided in Sections 251.725, 251.726, 251.727, 251.73, and 251.80, an authorized voting unit that has exercised or may exercise the right of local option retains the status adopted, whether absolute prohibition or legalization of the sale of hemp beverages, consumable hemp products, or alcoholic beverages of one or more of the various types and alcoholic contents on which an issue may be submitted under the terms of Section 501.035, Election Code, until that status is changed by a subsequent local option election in the same authorized voting unit.

SECTION 82. Section 251.73, Alcoholic Beverage Code, is amended to read as follows:

Sec. 251.73. PREVAILING STATUS: RESOLUTION OF CONFLICTS. To ensure ~~insure~~ that each voter has the maximum possible control over the status of the sale of hemp beverages, consumable hemp products, and alcoholic beverages in the area where the voter ~~he~~ resides:

(1) the status that resulted from or is the result of a duly called election for an incorporated city or town prevails against the status that resulted from or is the result of a duly called election in a justice precinct or county in which the incorporated city or town, or any part of it is contained; and

(2) the status that resulted or is the result of a duly called election for a justice precinct prevails against the status that resulted from or is the result of a duly called election in an incorporated city or town in which the justice precinct is wholly contained or in a county in which the justice precinct is located.

SECTION 83. Section 251.80(a-1), Alcoholic Beverage Code, is amended to read as follows:

(a-1) For purposes of a local option election, a newly created justice precinct shall be considered to have not held a local option election on the sale of hemp beverages, consumable hemp products, and alcoholic beverages. Any local option status established in the territory comprising the new justice precinct that resulted from a local option election held in the territory when the territory was part of another justice precinct remains in effect until that status is changed by a local option election held in the new justice precinct.

SECTION 84. Subchapter D, Chapter 251, Alcoholic Beverage Code, is amended by adding Sections 251.83, 251.84, and 251.85 to read as follows:

Sec. 251.83. SALE OF HEMP BEVERAGES. (a) The sale of hemp beverages is authorized in each authorized voting unit in this state unless that status is changed by a local option election in the same authorized voting unit.

(b) An authorized voting unit that has exercised the right of local option election retains the status adopted, whether prohibition or legalization of the sale of hemp beverages, until that status is changed by a subsequent local option election in the same authorized voting unit.

Sec. 251.84. SALE OF CONSUMABLE HEMP PRODUCTS. (a) The sale of consumable hemp products is authorized in each authorized voting unit in this state unless that status is changed by a local option election in the same authorized voting unit.

(b) An authorized voting unit that has exercised the right of local option election retains the status adopted, whether prohibition or legalization of the sale of consumable hemp products, until that status is changed by a subsequent local option election in the same authorized voting unit.

Sec. 251.85. CONTINUANCE OF OPERATION AS HEMP MANUFACTURER OR DISTRIBUTOR. (a) Notwithstanding any other provision of this code, a person who has been issued a hemp manufacturer's license may not subsequently be denied an original or renewal hemp manufacturer's license for the same location on the ground that the sale of consumable hemp products has been prohibited in the area by a local option election. A person holding a license at the time of the election or issued a license as authorized by this section may exercise all privileges granted by this code to the holder of a hemp manufacturer's license, except selling consumable hemp products to ultimate consumers.

(b) Notwithstanding any other provision of this code, a person who has been issued a hemp distributor's license, whose warehouse or other facility used in connection with the distributorship is located in the area affected, may not subsequently be denied an original or renewal hemp distributor's license for the same location on the ground that the sale of consumable hemp products has been prohibited in the area by a local option election. A person holding a license at the time of the election or issued a license as authorized by this section may exercise all privileges granted by this code to the holder of a hemp distributor's license, except that the distributor may sell or deliver consumable hemp products only to licensed persons located where the sale of such products is legal.

SECTION 85. The Alcoholic Beverage Code is amended by adding Title 7 to read as follows:

TITLE 7. CONSUMABLE HEMP PRODUCTS

SUBTITLE A. GENERAL PROVISIONS

CHAPTER 301. GENERAL PROVISIONS

Sec. 301.001. DEFINITIONS. In this title:

(1) "Batch" means a specific quantity of plant matter, raw materials, or processed product that is uniform and intended to meet specifications for identity, strength, purity, and composition.

(2) "Converted cannabinoid" means a chemical substance purposely created by converting a phytocannabinoid into a different compound that is intended to mimic a phytocannabinoid or to interact with the endocannabinoid system, except for delta-9 tetrahydrocannabinol. The term does not include a cannabinoid that is approved by the commission.

(3) "Hemp biomass" means the unrefined and unadulterated plant matter including flowers, leaves, and other parts of the plant cannabis sativa L. with a total tetrahydrocannabinol concentration of less than 0.3 percent by dry weight.

(4) "Manufacture" has the meaning assigned by Section 431.002, Health and Safety Code.

(5) "Measure of uncertainty" means the parameter associated with the results of an analytical measurement characterizing the dispersion of the values that could reasonably be attributed to the quantity subjected to a testing measurement.

(6) "Natural hemp flower" means unadulterated dried flower from the plant cannabis sativa L. with a total tetrahydrocannabinol concentration of less than 0.3 percent by dry weight.

(7) "Phytocannabinoid" means a chemical substance:

(A) created naturally by a plant of the species cannabis sativa L. that:

(i) is separated from the plant by a mechanical or chemical extraction process; or

(ii) binds to or interacts with the cannabinoid receptors of the endocannabinoid system; or

(B) produced by decarboxylation from a naturally occurring cannabinoid acid without the use of a chemical catalyst.

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

(A) sold as a consumable hemp product;

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

(C) incorporated into a consumable hemp product; or

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

(9) "QR code" means a quick response machine-readable code that can be read by a camera, consisting of an array of black and white squares used for storing information or directing or leading a user to additional information.

(10) "Synthetic cannabinoid" means a man-made chemical substance created by using chemical synthesis, chemical modification, chemical conversion, in-vitro biosynthesis, or bioconversion that is intended to mimic a phytocannabinoid or is intended to or able to interact with the endocannabinoid system. The term does not include delta-9 tetrahydrocannabinol produced through the conversion of naturally occurring hemp-derived cannabidiol.

(11) "Total tetrahydrocannabinol concentration" means the value of tetrahydrocannabinol content determined after decarboxylation including delta-8, delta-9, delta-10, tetrahydrocannabinolic acid, and any other chemically similar isomer.

(12) "Work in progress" means hemp extract that is in the intermediate phase of processing and refinement and that is not intended for sale to a retailer or an ultimate consumer.

Sec. 301.002. ROLE OF DEPARTMENT; TRANSITION OF ADMINISTRATIVE RESPONSIBILITY. (a) Notwithstanding Section 1.04(10), a reference to "commission" in this title means the Department of State Health Services.

(b) A reference to "administrator" in this title means the commissioner of state health services.

(c) This section expires January 1, 2027.

Sec. 301.003. APPLICABILITY OF OTHER LAW. (a) Unless expressly provided otherwise in this title, the following provisions do not apply in the regulation of consumable hemp products or to a license issued under this title:

(1) Title 3;

(2) Chapter 102; and

(3) Sections 6.03 and 109.53.

(b) Except as provided by Section 431.011(c), Health and Safety Code, Chapter 431, Health and Safety Code, applies to a license holder and a consumable hemp product regulated under this chapter.

Sec. 301.004. POSSESSION, TRANSPORTATION, AND SALE OF CONSUMABLE HEMP PRODUCTS. A person may possess, transport, sell, or purchase a consumable hemp product only if the product is processed or manufactured in compliance with this title.

Sec. 301.005. LOW-THC CANNABIS. This title does not apply to low-THC cannabis regulated under Chapter 487, Health and Safety Code.

Sec. 301.006. LOCAL REGULATION PROHIBITED. (a) Except as provided by Subsection (b) or Chapters 251 and 501, Election Code, a municipality, county, or other political subdivision of this state may not enact, adopt, or enforce a rule, ordinance, order, resolution, or other regulation that prohibits the processing of hemp, or the manufacturing, distribution, or sale of a consumable hemp product as authorized by this title.

(b) Subject to Section 109.57(a), the holder of a license issued under this title shall comply with all applicable local rules, ordinances, orders, resolutions, or regulations, including those regarding health, safety, zoning, sanitation, and advertising.

Sec. 301.007. SEVERABILITY. (a) A provision of this title or its application to any person or circumstance is invalid if the secretary of the United States Department of Agriculture determines that the provision or application conflicts with 7 U.S.C. Chapter 38, Subchapter VII, and prevents the approval of the state plan submitted under Chapter 121, Agriculture Code.

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

Sec. 301.008. WAIVER OF REQUIREMENTS OR STANDARDS. (a) Subject to Subsection (b), the administrator by order may waive or modify a requirement or standard of this code as it applies to consumable hemp products or hemp beverages and a licensee or permittee that manufactures, distributes, or sells consumable hemp products or hemp beverages if the administrator determines that the waiver or modification:

(1) is necessary or advisable for the efficient operation of the hemp industry in Texas;

(2) will not negatively impact the public health, safety, or welfare of the people of this state; and

(3) is in the best interests of this state.

(b) A waiver or modification ordered by the administrator under this section may not extend past the last day of the regular session of the legislature that begins after the waiver or modification takes effect. The waiver or modification may not be renewed, nor may a new substantially similar waiver or modification be ordered.

(c) This section expires May 28, 2027.

SUBTITLE B. TESTINGCHAPTER 305. TESTING OF CONSUMABLE HEMP PRODUCTS, HEMP BEVERAGES, HEMP BIOMASS, AND NATURAL HEMP FLOWER

Sec. 305.001. LICENSING OF HEMP TESTING LABORATORIES. (a) A hemp testing laboratory must be licensed by the commission under Subchapter A, Chapter 310.

(b) To be eligible for a hemp testing laboratory license, a laboratory must be:

(1) accredited by an accreditation body in accordance with International Organization for Standardization ISO/IEC 17025 or a comparable successor;

(2) registered with the federal Drug Enforcement Administration; and

(3) located in this state.

(c) Notwithstanding Subsection (b)(3), the commission may issue a license to a hemp testing laboratory located in another state if the laboratory:

(1) is licensed in the laboratory's home jurisdiction; and

(2) posts a surety bond as required under Section 310.017.

Sec. 305.002. LICENSE NUMBER. (a) The commission shall issue each licensed hemp testing laboratory a license number.

(b) A hemp testing laboratory shall put the license number issued under this section on each certificate of analysis issued by the laboratory.

Sec. 305.003. RESTRICTIONS ON LABORATORY OWNERSHIP OR INTEREST. (a) A licensed hemp manufacturer, distributor, or retailer may not be an owner or manager of a hemp testing laboratory.

(b) If a laboratory is publicly traded, a licensed hemp manufacturer, distributor, or retailer may not have more than a 10 percent ownership interest in the laboratory.

Sec. 305.004. RULEMAKING. The commission shall adopt rules addressing:

(1) acceptable testing practices, including testing standards, compliance with certified good manufacturing processes, quality control analyses, equipment certification and calibration, and chemical identification;

(2) an allowable variance rate for determining the amount or potency of tetrahydrocannabinols or other cannabinoids in natural hemp flower, hemp biomass, a consumable hemp product, or a hemp beverage;

(3) corrective measures, root cause analyses, quarantines of suspect batches, fair notice of unintentional or negligent violations, destruction of failed batches, documentation requirements, random hemp testing laboratory assurance checks, and data-driven quality assurance checks;

(4) the proper procedure and documentation for destruction of natural hemp flower or hemp biomass or of any extracts or manufactured product that testing shows may not be sold or introduced into commerce in this state; and

(5) any other subject the commission considers necessary to implement this chapter.

Sec. 305.005. TESTING REQUIRED. (a) Natural hemp flower, hemp biomass, a consumable hemp product, or a hemp beverage must be tested as provided by this section.

(b) Before natural hemp flower or hemp biomass is processed, sold, or otherwise used in the manufacture of a consumable hemp product or hemp beverage, a sample representing the flower or biomass must be tested, as required by the commission, to determine:

- (1) the presence and concentration of various cannabinoids;
- (2) the presence and quantity of residual solvents, heavy metals, pesticides, harmful pathogens, and any other substance prescribed by commission rule; and
- (3) that the sample contains acceptable levels of the substances described by Subdivisions (1) and (2) as set by commission rule.

(c) The tetrahydrocannabinol testing procedure for natural hemp flower or hemp biomass under this section must use post-decarboxylation or a similar method that includes the conversion of tetrahydrocannabinolic acid into delta-9 tetrahydrocannabinol as described by 7 C.F.R. Part 990.

(d) Before material extracted from hemp by processing, other than work in progress, is sold as or offered for sale as a consumable hemp product or hemp beverage, the material must be tested as required by the commission to determine:

- (1) the presence of harmful microorganisms; and
- (2) the presence or quantity of:
 - (A) any residual solvents used in processing, if applicable; and
 - (B) any other substance prescribed by commission rule.

(e) Before a consumable hemp product or hemp beverage is sold at retail or otherwise introduced into commerce in this state, a sample representing each batch of the product or beverage must be tested to determine that the product or beverage does not contain a substance described by Subsection (b) or (d) in a quantity prohibited for purposes of those subsections.

Sec. 305.006. PROVISION OF TEST RESULTS. (a) A person licensed under Chapter 122, Agriculture Code, shall provide to a license holder who is processing hemp harvested by the person or otherwise using that hemp to manufacture a consumable hemp product or hemp beverage the results of a test conducted under that chapter, if available, as proof that the total tetrahydrocannabinol concentration of the hemp does not exceed 0.3 percent.

(b) A license holder shall make available to a seller of a consumable hemp product or hemp beverage processed or manufactured by the license holder the results of testing required by Section 305.005. The results may accompany a shipment to the seller or be made available to the seller electronically. If the results are not made available, the seller may have the testing required under Section 305.005 performed on the product or beverage and shall make the results available to a consumer.

Sec. 305.007. SALE OR INTRODUCTION INTO COMMERCE. (a) Natural hemp flower or hemp biomass that has a total tetrahydrocannabinol concentration of more than 0.3 percent by dry weight, subject to the measure of uncertainty, may not be sold at retail or otherwise introduced into commerce in this state.

(b) A consumable hemp product or hemp beverage may not be sold at retail or otherwise introduced into commerce in this state if the tetrahydrocannabinol content exceeds the applicable limit established by Section 1.04(35), 59.10, or 320.005.

SUBTITLE C. REGULATIONCHAPTER 310. LICENSINGSUBCHAPTER A. GENERAL PROVISIONS

Sec. 310.001. LICENSE REQUIRED. (a) A person may not test, manufacture or process consumable hemp products, import, ship, or transport consumable hemp products, distribute or sell consumable hemp products, or possess consumable hemp products for the purpose of sale without having first obtained an appropriate license as provided by this title.

(b) Each license holder shall display the license at all times in a conspicuous place at the licensed place of business.

(c) A separate license is required, and a separate licensing fee must be paid, for each location at which a person is engaged in the consumable hemp product business under this title. An applicant may obtain a license only for a building or similar permanent structure that is adequate for the privileges conferred under the license.

(d) A person may not use a license or exercise any privilege granted by the license except at the place, address, premises, or location for which the license is issued.

(e) A license holder must have and maintain exclusive occupancy and control of the entire licensed premises in every phase of the manufacturing, processing, storing, possession, and sale of consumable hemp products purchased, stored, or sold on the licensed premises. A device, scheme, or plan that surrenders control of the employees, premises, or business of the license holder to a person other than the license holder is unlawful.

(f) A license issued under this title is a purely personal privilege and is subject to revocation or suspension as provided by this title. A license issued under this title is not property, is not subject to execution, does not pass by descent or distribution, and expires on the death of the license holder.

Sec. 310.002. APPLICATION FOR LICENSE. (a) A person may file an application for a license to test, manufacture, distribute, sell, carry, or deliver consumable hemp products as prescribed by the commission.

(b) The commission may issue an original or renewal license or deny an application for an original or renewal license under the provisions of this subchapter.

(c) On receipt of an application for a license under this title, the administrator shall evaluate the application. If after evaluating the license application the administrator finds that all facts stated in the application are true and no legal ground to deny the application exists, the administrator shall issue the license.

(d) If after the evaluation of a license application the administrator finds a legal ground to deny the application, the administrator shall recommend to the commission that the application be denied. If the administrator recommends denial of the application, the applicant may request a hearing be conducted under Subsection (e).

(e) A hearing under this section shall be conducted by the State Office of Administrative Hearings. Chapter 2001, Government Code, applies to a hearing under this section. After a hearing under this section, the administrative law judge shall make findings of fact and conclusions of law and promptly issue to the

commission a proposal for a decision on the application. Based on the findings of fact, conclusions of law, and proposal for a decision, the commission shall issue a final decision denying the application or issuing the license.

(f) If the commission denies a permit application, the applicant may, after exhausting all administrative remedies, appeal the commission's decision to a district court in Travis County.

(g) The commission shall adopt rules to implement the application review process.

(h) A person may not test, manufacture, process, distribute, import, store, carry, deliver, or sell consumable hemp products during the pendency of the person's original license application.

Sec. 310.003. CONTENTS OF APPLICATION: MANUFACTURERS. In addition to any requirements imposed by this subchapter or the commission, an application for a hemp manufacturer's license or an out-of-state manufacturer's license must include:

(1) a legal description of each location where the applicant intends to process hemp or manufacture consumable hemp products; and

(2) a statement that the applicant understands and consents to inspections under Section 101.04.

Sec. 310.004. CONTENTS OF APPLICATION: DISTRIBUTORS. In addition to any requirements imposed by this subchapter or the commission, an application for a hemp distributor's license must include:

(1) a legal description of each location where the applicant intends to possess, hold, or dispatch consumable hemp products; and

(2) a statement that the applicant understands and consents to inspections under Section 101.04.

Sec. 310.005. CONTENTS OF APPLICATION: RETAILERS. In addition to any requirements imposed by this subchapter or the commission, an application for a hemp retailer's license must include:

(1) a legal description of the proposed retail premises; and

(2) a statement that the applicant understands and consents to inspections under Section 101.04.

Sec. 310.006. APPEAL FROM DENIAL. (a) If a license is issued on the basis of a district court judgment and that judgment is reversed on appeal, the mandate of the appellate court automatically invalidates the license and the applicant is entitled to a proportionate refund of fees for the unexpired portion of the license. The commission may appropriate as much of the proceeds from license fees collected under this title as necessary for the payment of those refunds.

(b) A person appealing from an order denying a license shall give bond for all costs incident to the appeal and shall only be required to pay those costs if the judgment on appeal is unfavorable to the appellant. A bond is not required on appeals filed on behalf of the state.

Sec. 310.007. CERTIFICATION OF WET OR DRY STATUS FOR CONSUMABLE HEMP PRODUCTS. (a) This section does not apply to a prospective applicant for a hemp testing laboratory license.

(b) Not later than the 30th day after the date a prospective applicant for a license issued by the commission under this title requests certification, the county clerk of the county in which the request is made shall certify whether the location or address given in the request is in a wet area for consumable hemp products.

(c) Not later than the 30th day after the date a prospective applicant for a license issued by the commission under this title requests certification, the city secretary or clerk of the city in which the request is made shall certify whether the location or address given in the request is in a wet area for consumable hemp products.

(d) If a license is issued for a premises that is not in a wet area, based on a mistaken certification or otherwise, that license is not eligible for renewal at that location unless a subsequent local option election legalizes the sale of consumable hemp products in the territory where the premises is located.

(e) Notwithstanding any other provision of this code, if the county clerk, city secretary, or city clerk certifies that the location or address given in the request is not in a wet area or refuses to issue the certification required by this section, the prospective applicant is entitled to a hearing before the county judge to contest the certification or refusal to certify. The prospective applicant must submit a written request to the county judge for a hearing under this subsection. The county judge shall conduct a hearing required by this subsection not later than the 30th day after the date the county judge receives the written request.

Sec. 310.008. RENEWAL APPLICATION. (a) An application to renew a license issued under this title must be filed with the commission not earlier than the 30th day before the date the license expires but not after it expires. The application must be signed by the applicant and must contain complete information required by rule showing that the applicant is not disqualified from holding a license. The application must be accompanied by the appropriate license fee.

(b) When the renewal application has been filed in accordance with Subsection (a), the commission shall follow the procedures for reviewing a license application under Section 310.002.

Sec. 310.009. EXPIRATION OF LICENSE. (a) Except as provided by Subsections (b) and (c) or another provision of this title, any license issued under this title expires on the second anniversary of the date on which it is issued.

(b) The commission by rule may require that the expiration date for an individual license holder's license is the first anniversary of the date on which the license is issued due to the license holder's violation history.

(c) The commission may issue a license with an expiration date of less than two years after the date the license is issued to maintain a reasonable annual distribution of renewal application review work and license fees. If the commission issues a license with an expiration date of less than two years after the date the license is issued, the commission shall prorate the license fee on a monthly basis so the license holder pays only that portion of the license fee that is allocable to the number of months during which the license is valid.

Sec. 310.010. LICENSE NOT ASSIGNABLE. (a) A license holder may not assign a license to another person.

(b) A license holder may not consent to or allow the use or display of the license holder's license by a person other than the person to whom the license was issued.

Sec. 310.011. NAME OF BUSINESS. A person may not own, wholly or partly, a business engaged in the processing, manufacture, transportation, distribution, importation, or sale of consumable hemp products under a name other than the name to which the license covering the person's place of business is issued.

Sec. 310.012. PRIVILEGES LIMITED TO LICENSED PREMISES. Except as otherwise provided by this title, a person licensed to sell consumable hemp products at retail may not use or display a license or exercise a privilege granted by the license except at the licensed premises.

Sec. 310.013. AGENT FOR SERVICE. Each licensed hemp manufacturer, out-of-state hemp manufacturer, and hemp distributor, or person shipping or delivering consumable hemp products into this state, shall file a certificate with the secretary of state designating the name, street address, and business of the person's agent on whom process may be served. If a certificate is not filed, service may be had on the secretary of state in any cause of action arising out of a violation of this code, and the secretary of state shall send any citation served on the secretary by registered mail, return receipt requested, to the person for whom the citation is intended. The receipt is prima facie evidence of service on the person.

Sec. 310.014. STATEMENT OF STOCK OWNERSHIP. The commission at any time may require an officer of a corporation holding a license under this title to file a sworn statement showing the actual owners of the stock of the corporation, the amount of stock owned by each owner, the officers of the corporation, and any information concerning the qualifications of the officers or stockholders.

Sec. 310.015. CHANGE OF LOCATION. If a license holder desires to change the license holder's place of business, the license holder shall file an application to change location with the commission. An additional license fee for the unexpired term of the license may not be required for an application to change location.

Sec. 310.016. RESTRICTION ON CONSUMPTION. A license holder may not permit consumable hemp products to be consumed on the licensed premises. This section does not apply to the holder of an on-premise hemp retailer's license.

Sec. 310.017. CONDUCT SURETY BOND. (a) Except as provided by Subsections (c) and (f), an applicant for or a holder of a license issued under this title shall file with the commission a surety bond in the amount of \$5,000, conditioned on the applicant's or license holder's compliance with laws relating to consumable hemp products and narcotics. This bond requirement is in addition to any other applicable bond requirement imposed by this code.

(b) An applicant for or a holder of a hemp testing laboratory license shall file with the commission a surety bond in the amount of \$25,000, conditioned on the applicant's or license holder's compliance with laws and regulations relating to hemp and the testing of hemp, consumable hemp products, and hemp beverages.

(c) A surety bond required under this section must contain the following statements on the face of the bond:

(1) that the license holder will not violate a law of this state relating to consumable hemp products, narcotics, or alcoholic beverages or a rule adopted by the commission; and

(2) that the license holder agrees that the amount of the bond shall be paid to the state if the license is revoked or on final adjudication that the license holder violated a provision of this code, regardless of whether the actions of an employee of the license holder are attributable to the license holder under Section 106.141.

(d) The commission shall adopt rules relating to the:

(1) form of a surety bond;

(2) qualifications for a surety;

(3) method for filing and obtaining approval of the bond by the commission; and

(4) release or discharge of the bond.

(e) A license holder required to file a surety bond may furnish instead of all or part of the required bond amount:

(1) one or more certificates of deposit assigned to the state issued by a federally insured bank or savings institution authorized to do business in this state; or

(2) one or more letters of credit issued by a federally insured bank or savings institution authorized to do business in this state.

(f) A license holder who has held a license for three years or more before the date the license holder applied for renewal of the license is not required to furnish a surety bond if the license holder:

(1) has not had a license or permit issued under this code revoked in the five years immediately preceding the date the license holder applied for renewal of the license;

(2) is not the subject of a pending permit or license revocation proceeding;
and

(3) has continuously operated on the licensed premises for three years or more immediately preceding the date the license holder applied for renewal of the license.

(g) If a license holder is exempt from furnishing a conduct surety bond under Subsection (f), the license holder is exempt from furnishing the bond at another location where the license holder applies for or holds a license.

Sec. 310.018. LICENSING FEES. (a) A separate license fee is required for each place of business that manufactures, processes, imports, transports, distributes, delivers, or sells consumable hemp products.

(b) The fee for the issuance of an original or renewal license issued under this title is:

(1) \$3,000 for a hemp manufacturer's license;

(2) \$5,000 for an out-of-state hemp manufacturer's license;

(3) \$1,500 for a hemp distributor's license;

(4) \$2,000 for an off-premise hemp retailer's license;

(5) \$4,000 for an on-premise hemp retailer's license;

(6) \$1,100 for a hemp carrier's license; and

(7) \$10,000 for a hemp consumer delivery license.

(c) All license fees shall be deposited as provided in a fund dedicated for the administration of hemp laws. Each license application must be accompanied by a cashier's check, a teller's check, a check drawn on the account of a corporation applying for a license or on the account of a corporation that is an agent for the person

applying for a license, a money order, or payment by credit card, charge card, or other electronic form of payment approved by commission rule for the amount of the fee, payable to the order of the comptroller of public accounts.

(d) A license holder may not obtain a refund on the surrender or nonuse of a license except as provided by this title.

(e) The executive commissioner may not refund a license fee except when an application for a license is denied by the commission. The commission may appropriate as much of the proceeds from license fees as necessary for the payment of a refund under this subsection.

Sec. 310.019. MANDATORY GROUNDS FOR DENIAL. (a) In this section, "applicant" includes, as of the date of the application, each member of a partnership or association and, with respect to a corporation, each officer and the owner or owners of a majority of the corporate stock.

(b) The commission shall deny an application for a license under this title if the commission has reasonable grounds to believe and finds that:

(1) the applicant is a minor;

(2) the applicant is indebted to the state for any taxes, fees, or penalties imposed by this code or a rule adopted by the commission;

(3) the place or manner in which the applicant may conduct the applicant's business warrants a denial of the application for a license based on the general welfare, health, peace, morals, safety, and sense of decency of the people;

(4) the applicant has developed an incapacity that prevents or could prevent the applicant from conducting the applicant's business with reasonable skill, competence, and safety to the public;

(5) the applicant is not a United States citizen or legal resident of the United States;

(6) the applicant was finally convicted of a felony during the five years immediately preceding the filing of the applicant's application;

(7) the applicant is not of good moral character or the applicant's reputation for being a peaceable, law-abiding citizen in the community where the applicant resides is bad;

(8) as to a corporation, it is not incorporated under the laws of this state, or at least 51 percent of the corporate stock is not owned at all times by persons who individually are qualified to obtain a license;

(9) the applicant was finally convicted of a felony under Chapter 481, Health and Safety Code, during the ten years immediately preceding the filing of the applicant's application; or

(10) granting the license would result in subterfuge ownership of the license or the licensed premises in violation of Section 310.036.

(c) The commission shall deny an application for an original hemp manufacturer's license or hemp retailer's license unless the applicant for the license files with the application a certificate issued by the comptroller of public accounts stating that the applicant holds, or has applied for and satisfies all legal requirements for the issuance of, a sales tax permit for the place of business for which the license is sought.

(d) The commission shall deny for a period of one year an application for a hemp retailer's license for a premises where a license or permit issued under this code has been canceled during the immediately preceding 12 months as a result of:

(1) a shooting, stabbing, or other violent act; or

(2) an offense involving drugs, prostitution, or trafficking of persons.

(e) The commission shall deny an application for a license of a person convicted of an offense under Section 101.76 for a period of five years from the date of the conviction.

(f) The commission shall deny an application for an original or renewal license if the commission has reasonable grounds to believe and finds that, during the three years immediately preceding the date the license application was filed, a license or permit previously held under this code by the applicant, a person who owns the premises for which the license is sought, or an officer of a person who owns the premises for which the license is sought was canceled or not renewed as a result of a shooting, stabbing, or other violent act.

Sec. 310.020. MANDATORY GROUNDS FOR DENIAL: HEMP MANUFACTURERS. The commission shall deny an application for a hemp manufacturer's license or an out-of-state hemp manufacturer's license if the commission has reasonable grounds to believe, and finds that the applicant has failed to state under oath, that it will engage in the business of manufacturing consumable hemp products within one year after the issuance of its original license in sufficient quantities as to make its operation that of a bona fide manufacturer. The license holder is ineligible to renew, and the commission may cancel, its license if it ceases to be a bona fide manufacturer.

Sec. 310.021. DISCRETIONARY GROUNDS FOR DENIAL. (a) In this section, "applicant" includes, as of the date of the application, each member of a partnership or association and, with respect to a corporation, each officer and the owner or owners of a majority of the corporate stock.

(b) The commission may deny an application for a license if the commission has reasonable grounds to believe and finds that:

(1) the applicant has been finally convicted in a court of competent jurisdiction for the violation of a provision of this code during the two years immediately preceding the filing of an application;

(2) the applicant has been finally convicted of a felony and the termination of which, by pardon or otherwise, occurred during the five-year period immediately preceding the filing of an application;

(3) the applicant has violated or caused to be violated a provision of this code or a rule adopted under this code during the 12-month period immediately preceding the filing of an application;

(4) the applicant failed to answer or falsely or incorrectly answered a question in an original or renewal application;

(5) before conducting any activity authorized by a license issued under this code, the applicant does not have an adequate building available at the address for which the license is sought;

(6) the applicant or a person with whom the applicant is residentially domiciled had an interest in a license or permit issued under this code that was canceled or revoked within the 12-month period immediately preceding the filing of an application;

(7) the applicant will conduct business in a manner contrary to law or in a place or manner conducive to a violation of the law; or

(8) the place, building, or premises for which the license is sought was used for selling consumable hemp products, narcotic drugs, as defined by Section 481.002, Health and Safety Code, or alcoholic beverages in violation of the law at any time during the six months immediately preceding the filing of the application or was used, operated, or frequented during that time for a purpose or in a manner which was lewd, immoral, offensive to public decency, or in violation of this code.

Sec. 310.022. GROUNDS FOR CANCELLATION OR SUSPENSION. (a) The commission or administrator may suspend for not more than 60 days or cancel a license issued under this title if it is found, after notice and hearing, that the license holder:

(1) violated a provision of this code or a rule adopted under this title during the existence of the license sought to be canceled or suspended or during the immediately preceding license period;

(2) was finally convicted for violating a penal provision of this code;

(3) was finally convicted of a felony while holding a license;

(4) made a false statement or a misrepresentation in the license holder's application;

(5) sold, served, or delivered with criminal negligence a consumable hemp product or hemp beverage to a minor;

(6) sold, served, or delivered a consumable hemp product or hemp beverage to an intoxicated person;

(7) sold, served, or delivered a consumable hemp product or hemp beverage at a time when its sale was prohibited;

(8) possessed on the licensed premises, or on adjacent premises directly or indirectly under the license holder's control, a consumable hemp product not authorized to be sold on the licensed premises, or permitted an agent, servant, or employee to do so;

(9) employed a person under 21 years of age to sell, handle, or dispense consumable hemp products, or to assist in doing so, except as authorized under Sections 310.301 and 310.302;

(10) conspired with a person to violate Chapter 322;

(11) refused to permit or interfered with an inspection or investigation of the licensed premises, vehicles, or records by an authorized representative of the commission or a peace officer;

(12) permitted the use or display of the license holder's license in the conduct of a business for the benefit of a person not authorized by law to have an interest in the license;

(13) conducted the license holder's business in a place or manner which warrants the cancellation or suspension of the license based on the general welfare, health, peace, morals, safety, and sense of decency of the people;

(14) consumed a consumable hemp product or permitted one to be consumed on the licensed premises, except as authorized by this code;

(15) purchased consumable hemp products for the purpose of resale from a person who is not authorized to sell the consumable hemp products for resale under this title;

(16) acquired a consumable hemp product for the purpose of resale from a hemp retailer;

(17) manufactured, processed, purchased, imported, exported, sold, offered for sale, distributed, or delivered a consumable hemp product while the license holder's license was under suspension;

(18) purchased, possessed, stored, imported, distributed, sold, or offered for sale consumable hemp products in or from an original package bearing a brand or trade name of a manufacturer other than the brand or trade name shown on the container;

(19) is insolvent or has developed an incapacity that prevents or could prevent the license holder from managing the license holder's establishment with reasonable skill, competence, and safety to the public;

(20) imported consumable hemp products into this state in violation of this title;

(21) knowingly permitted a person who had an interest in a license that was canceled for cause to sell, handle, or assist in selling or handling consumable hemp products on the licensed premises within one year after the cancellation;

(22) is residentially domiciled with or related to a person whose license has been canceled within the preceding 12 months so that there is a community of interests that the commission or administrator finds contrary to the purposes of this title;

(23) failed to promptly report to the commission a breach of the peace occurring on the license holder's licensed premises;

(24) often uses narcotic drugs, as that term is defined by Section 481.002, Health and Safety Code, or uses consumable hemp products or alcoholic beverages in excess;

(25) knowingly misrepresented to a customer or the public any consumable hemp product sold by the license holder;

(26) was intoxicated on the premises;

(27) failed to comply with a requirement of the commission relating to the keeping of records or making of reports;

(28) failed to pay any tax due to the state on any consumable hemp products;

(29) no longer holds a sales tax permit, if required, for the place of business covered by the license;

(30) is shown on the records of the comptroller of public accounts as being subject to a final determination of taxes due and payable under the Limited Sales, Excise and Use Tax Act (Chapter 151, Tax Code), or is shown on the records of the comptroller of public accounts as being subject to a final determination of taxes due and payable under Chapter 321, Tax Code; or

(31) gave a check, as maker or endorser, or a draft, as drawer or endorser, as full or partial payment for consumable hemp products that was not honored when presented for payment.

(b) The grounds listed by Subsection (a) apply to each member of a partnership or association and, as to a corporation, to the president, manager, and owner of the majority of the corporate stock.

(c) The commission or administrator without a hearing may for investigative purposes summarily suspend an off-premise hemp retailer's license or on-premise hemp retailer's license for not more than seven days if the commission or administrator finds that a shooting, stabbing, or murder has occurred on the licensed premises that is likely to result in a subsequent act of violence. Notice of the order suspending the license shall be given to the license holder personally within 24 hours of the time the violent act occurs. If the license holder cannot be located, notice shall be provided by posting a copy of the order on the front door of the licensed premises.

(d) The length of a suspension must be appropriate for the nature and seriousness of the violation. In determining the length of a suspension, the commission or administrator shall consider:

(1) the type of license held;

(2) the type of violation;

(3) any aggravating or ameliorating circumstances concerning the violation;

and

(4) the license holder's previous violations.

Sec. 310.023. EMERGENCY ORDER SUSPENDING LICENSE. (a) If the commission or administrator determines that the continued operation of a business licensed under this title would constitute a continuing threat to the public welfare, the commission or administrator may issue an emergency order, without a hearing, suspending the license for not more than 90 days.

(b) An order suspending a license under this section must state the length of the suspension in the order.

(c) If an emergency order is issued without a hearing under this section, the commission or administrator shall set the time and place for a hearing to be conducted not later than the 10th day after the date the order was issued. A hearing under this section to affirm, modify, or set aside the emergency order shall be conducted by the State Office of Administrative Hearings. The order shall be affirmed if the administrative law judge determines that reasonable cause existed to issue the order.

(d) The commission by rule may prescribe procedures for the determination and appeal of an emergency order issued under this section, including a rule allowing the commission to affirm, modify, or set aside a decision made by the State Office of Administrative Hearings under Subsection (c).

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

Sec. 310.024. CANCELLATION FOR IMPROPER DISPLAY OR USE OF LICENSE. The commission or administrator shall cancel a license issued under this title if it is found, after notice and hearing, that the license holder was convicted of an offense under Section 101.76.

Sec. 310.025. CANCELLATION OF PERMIT OR LICENSE IN CERTAIN MUNICIPALITIES. (a) The commission or administrator may cancel a license issued under this title and the commission may deny an application for any new license for the same premises for one year after the date of cancellation if:

(1) the chief of police of the city or the sheriff of the county in which the premises is located submits a sworn statement to the commission stating:

(A) specific allegations that the place or manner in which the license holder conducts its business endangers the general welfare, health, peace, morals, or safety of the community; and

(B) that there is a reasonable likelihood that such conduct would continue at the same location under another license holder; and

(2) the commission finds, after notice and hearing, that:

(A) the place or manner in which the license holder conducts its business does in fact endanger the general welfare, health, peace, morals, or safety of the community; and

(B) there is a reasonable likelihood that such conduct would continue at the same location under another license holder.

(b) A hearing under this section shall be conducted by the State Office of Administrative Hearings.

Sec. 310.026. SUSPENSION INSTEAD OF CANCELLATION. When a cause for the cancellation of a license is prescribed by this title, the commission or administrator has the discretionary authority to suspend the license for not more than 60 days rather than to cancel the license.

Sec. 310.027. ALTERNATIVES TO SUSPENSION OR CANCELLATION. (a) When the commission or administrator is authorized to suspend a license under this title, the commission or administrator, in its discretion, may give the license holder the opportunity to pay a civil penalty rather than have the license suspended.

(b) In determining whether to give a license holder the opportunity to pay a civil penalty under this section, the commission or administrator shall consider:

(1) the type of license held;

(2) the type of violation;

(3) any aggravating or ameliorating circumstances concerning the violation;

and

(4) any past violations of this code by the license holder.

(c) The commission or administrator shall determine the amount of the penalty, which may not be less than \$150 or more than \$25,000 for each day the license was to have been suspended.

(d) If the license holder does not pay the penalty before the sixth day after the commission or administrator notifies the license holder of the amount, the commission or administrator shall impose the suspension.

(e) In the case of a violation of this code by a license holder, the commission or administrator may relax any provision of this title relating to the suspension or cancellation of the license and assess a sanction the commission or administrator finds just under the circumstances, and the commission or administrator may reinstate the

license or permit at any time during the period of suspension on payment by the license holder of a fee of not less than \$75 nor more than \$500, if the commission or administrator finds that any of the following circumstances exists:

(1) that the violation could not reasonably have been prevented by the license holder by the exercise of due diligence;

(2) that the license holder was entrapped;

(3) that an agent, servant, or employee of the license holder violated this code without the knowledge of the license holder;

(4) that the license holder did not knowingly violate this code;

(5) that the license holder has demonstrated good faith, including the taking of actions to rectify the consequences of the violation and to deter future violations; or

(6) that the violation was a technical one.

(f) The amount of a civil penalty under this section must be appropriate for the nature and seriousness of the violation. In determining the amount of the civil penalty, the commission or administrator shall consider:

(1) the type of license held;

(2) the type of violation;

(3) any aggravating or ameliorating circumstances concerning the violation, including those enumerated in Subsection (b);

(4) the license holder's previous violations; and

(5) if the commission or administrator determines the license holder has previously violated this code, whether the license holder profited from the violation, and if so the amount of the license holder's profit.

(g) Any fees and civil penalties received by the commission or administrator under this section shall be deposited in the fund established under Section 202.016.

Sec. 310.028. CERTAIN ACTS ALSO VIOLATIONS OF CODE. Any act or omission which is a ground for cancellation or suspension of a license under this title is also a violation of this code, punishable as provided by Section 1.05, except that the penalty for making a false statement in an application for a license or in a statement, report, or other instrument to be filed with the commission is provided by Section 101.69 of this code.

Sec. 310.029. VIOLATOR NOT EXCUSED BY CANCELLATION OR SUSPENSION. The cancellation or suspension of a license does not excuse the violator from the penalties provided in this code.

Sec. 310.030. HEARING FOR CANCELLATION OR SUSPENSION OF LICENSE. The commission or administrator, on the motion of either, may set a date for a hearing to determine if a license should be canceled or suspended. The commission or administrator shall notify the license holder of the hearing and of its right to appear and show cause why the license should not be canceled or suspended.

Sec. 310.031. APPEAL FROM CANCELLATION OR SUSPENSION OF LICENSE. Sections 11.67(a) and (b) apply to an appeal from a decision or order of the commission or administrator canceling or suspending a license.

Sec. 310.032. MAY NOT RESTRAIN SUSPENSION ORDER. A suit of any nature may not be maintained in a court of this state to restrain the commission or administrator or any other officer from enforcing an order of suspension issued by the commission or administrator.

Sec. 310.033. CANCELLATION OR SUSPENSION: WHEN EFFECTIVE. The manner in which the cancellation or suspension of a license takes effect is governed by Section 11.65.

Sec. 310.034. ACTIVITIES PROHIBITED DURING CANCELLATION OR SUSPENSION. (a) A person whose license is canceled may not test, manufacture, process, distribute, import, store, deliver, sell, or offer for sale consumable hemp products for a period of one year immediately following the cancellation, unless the order of cancellation is superseded pending trial or unless the person prevails in a final judgment rendered on an appeal prosecuted in accordance with this code.

(b) A person may not test, manufacture, process, distribute, import, store, deliver, sell, or offer for sale a consumable hemp product which the person was authorized to sell under a license after the license has been suspended. If it is established to the satisfaction of the commission or administrator at a hearing that a consumable hemp product was tested, manufactured, processed, distributed, imported, stored, delivered, sold, or offered for sale during a period of suspension, the commission or administrator may cancel the license.

Sec. 310.035. MULTIPLE LICENSES. A person may hold more than one license type under this chapter.

Sec. 310.036. SUBTERFUGE OWNERSHIP. (a) Subterfuge ownership of a license or the licensed premises is prohibited.

(b) The commission or administrator may suspend for not more than 60 days or cancel a license issued under this title if it is found, after notice and hearing, that the license holder violated Subsection (a).

SUBCHAPTER B. MANUFACTURING

Sec. 310.101. HEMP MANUFACTURER'S LICENSE. (a) The holder of a hemp manufacturer's license may:

(1) receive and process at the licensed premises natural hemp flower or hemp biomass from a hemp grower licensed under Section 122.101, Agriculture Code, or a hemp grower licensed under another state's laws;

(2) manufacture consumable hemp products in this state at the licensed premises;

(3) solicit and take orders from a holder of a hemp manufacturer's license or out-of-state hemp manufacturer's license for the sale of works in progress;

(4) label and package the license holder's finished consumable hemp products and natural hemp flowers;

(5) sell the finished consumable hemp products in this state to holders of hemp distributor's licenses, hemp retailers, and qualified persons outside the state;

(6) sell the finished consumable hemp products to ultimate consumers at the manufacturer's licensed premises for off-premise consumption only and not for the purpose of resale; and

(7) sell and deliver finished consumable hemp products to ultimate consumers off the licensed premises, but not for resale purposes.

(b) The holder of a hemp manufacturer's license may ship consumable hemp products using a licensed hemp carrier or the United States Postal Service, or personally transport consumable hemp products, if the shipping or transportation is for a lawful purpose, from the manufacturer's licensed premises or authorized place of storage to:

(1) the licensed premises of a purchaser;

(2) an ultimate consumer, as provided by Subsection (a)(7); and

(3) lawful destinations outside this state for delivery to qualified purchasers or recipients.

(c) Delivery to an ultimate consumer under Subsection (a)(7) may also be by the holder of a hemp consumer delivery license.

(d) The holder of a hemp manufacturer's license personally transporting consumable hemp products under this section shall provide to the commission:

(1) a full description of each motor vehicle used by the license holder for transporting consumable hemp products; and

(2) any other information the commission requires.

(e) The holder of a hemp manufacturer's license may personally transport consumable hemp products only in a vehicle that is:

(1) described by Subsection (d);

(2) owned or leased in good faith by the license holder or by the license holder's agent; and

(3) printed or painted with the manufacturer's discrete mark or brand and the manufacturer's license number as required for the holder of a hemp distributor's license under Section 310.204.

(f) The holder of a hemp manufacturer's license may store consumable hemp products:

(1) on the license holder's premises; or

(2) inside the county in which the license holder's business is located in a:

(A) public bonded warehouse registered with the commission; or

(B) private warehouse that is:

(i) operated and either owned or leased by the license holder; and

(ii) registered with the commission.

(g) The privileges granted to a holder of a hemp manufacturer's license are confined strictly to consumable hemp products manufactured under the manufacturer's license.

(h) A holder of a hemp manufacturer's license may not knowingly use or employ any person under 21 years of age to work on the license holder's premises in any capacity.

(i) The authority of a holder of a hemp manufacturer's license to sell finished consumable hemp products to ultimate consumers at the manufacturer's licensed premises under Subsection (a)(6) is automatically revoked if the property on which the manufacturer's premises is located is in a territory that votes to prohibit the sale of consumable hemp products under Section 251.84.

(j) The transportation or shipment of consumable hemp products across state lines into foreign jurisdictions must be done in a manner that is consistent with federal law and the laws of those foreign jurisdictions.

(k) The transportation of natural hemp flower or hemp biomass from a licensed hemp grower to a licensed hemp manufacturer under Subsection (a)(1) must comply with Chapter 122, Agriculture Code, and any applicable rules adopted by the Department of Agriculture.

(l) A holder of a hemp manufacturer's license shall label each batch to include:

(1) the manufacturer's license number; and

(2) a sequence to allow for inventory, traceability, and identification of the plant or extract batches used in the production of products.

Sec. 310.102. OUT-OF-STATE HEMP MANUFACTURER'S LICENSE. (a) The holder of an out-of-state hemp manufacturer's license may:

(1) solicit and take orders for finished consumable hemp products from holders of a hemp distributor's license, hemp retailers, and ultimate consumers;

(2) solicit and take orders for works in progress from a holder of a hemp manufacturer's license or another out-of-state hemp manufacturer;

(3) sell and ship consumable hemp products into this state, or cause them to be shipped into this state, in consummation of sales made to a holder of a hemp manufacturer's license, the holder of a hemp distributor's license, and a hemp retailer; and

(4) sell and ship finished consumable hemp products to ultimate consumers in this state, but not for resale purposes.

(b) The holder of an out-of-state hemp manufacturer's license may ship consumable hemp products using a licensed hemp carrier or the United States Postal Service if the shipping is for a lawful purpose, from the out-of-state manufacturer's licensed premises to:

(1) the licensed premises of a purchaser; and

(2) ultimate consumers, as provided by Subsection (a)(4).

(c) The privileges granted to a holder of an out-of-state hemp manufacturer's license are confined strictly to consumable hemp products actually manufactured by the license holder.

(d) A holder of an out-of-state hemp manufacturer's license shall label each batch to include:

(1) the manufacturer's license number; and

(2) a sequence to allow for inventory, traceability, and identification of the plant or extract batches used in the production of products.

Sec. 310.103. WORK IN PROGRESS. (a) A manufacturer licensed under this subchapter may only derive a work in progress from natural hemp flower or hemp biomass based on sampling that was collected not more than 30 days before the day on which the cannabis plant was harvested.

(b) A work in progress must be securely kept on the premises of a manufacturer licensed under this subchapter and may only be transferred to another licensed manufacturer for use as an ingredient for the processing of a consumable hemp product.

(c) A manufacturer licensed under this subchapter transporting a work in progress must provide with the work in progress the sending manufacturer's license number and the license number of the receiving manufacturer. Manufacturers must

keep a log of any such shipments with the date, time, volume, and batch of the work in progress. The log entry must be signed by the individuals who authorized the shipment and accompanied the shipment.

Sec. 310.104. SELF-AUDITS. (a) At least once every calendar quarter, a person licensed under this subchapter shall conduct a self-audit of inventory creation, tracking, and sales and maintain the resulting data in the form and for the duration required by the commission.

(b) The license holder shall provide the data to the commission on request.

(c) This data qualifies as a private record under Section 5.48.

Sec. 310.105. GOOD MANUFACTURING PRACTICES. A holder of a license issued under this subchapter shall follow current good manufacturing practices, as defined by commission rule.

Sec. 310.106. PURCHASE, SALE, AND TRANSPORTATION OF NATURAL HEMP FLOWER. For the purposes of this subchapter, a holder of a hemp manufacturer's license or an out-of-state hemp manufacturer's license may purchase, sell, and transport natural hemp flower between the manufacturer and the holder of a hemp distributor's license, a hemp retailer, and another hemp manufacturer in the same manner in which the manufacturer may purchase, sell, and transport consumable hemp products to those license holders under this subchapter.

SUBCHAPTER C. DISTRIBUTION

Sec. 310.201. HEMP DISTRIBUTOR'S LICENSE. (a) The holder of a hemp distributor's license may:

(1) purchase and import consumable hemp products from holders of out-of-state hemp manufacturer's licenses;

(2) purchase consumable hemp products from holders of hemp manufacturer's licenses;

(3) purchase consumable hemp products from other licensed hemp distributors in this state;

(4) sell consumable hemp products in the original containers and packages in which the products are received to licensed hemp distributors and hemp retailers in this state; and

(5) sell consumable hemp products to qualified persons outside this state.

(b) The holder of a hemp distributor's license may ship consumable hemp products using a licensed hemp carrier or the United States Postal Service, or personally transport consumable hemp products, for a lawful purpose:

(1) from the seller's licensed premises to the distributor's licensed premises or authorized place of storage;

(2) from the distributor's licensed premises or authorized place of storage to a purchaser's licensed premises or authorized place of storage;

(3) from the distributor's licensed premises or authorized place of storage to ultimate consumers; and

(4) from the distributor's licensed premises or authorized place of storage to lawful destinations outside this state for delivery to qualified purchasers or recipients.

(c) The holder of a hemp distributor's license personally transporting consumable hemp products under this section shall provide to the commission:

(1) a full description of each motor vehicle used by the license holder for transporting consumable hemp products; and

(2) any other information the commission requires.

(d) The holder of a hemp distributor's license may personally transport consumable hemp products only in a vehicle that is:

(1) described by Subsection (c);

(2) owned or leased in good faith by the license holder or by the license holder's agent; and

(3) printed or painted in accordance with Section 310.203.

(e) The holder of a hemp distributor's license may store consumable hemp products:

(1) on the license holder's premises; or

(2) inside the county in which the license holder's business is located in a:

(A) public bonded warehouse registered with the commission; or

(B) private warehouse that is:

(i) operated and either owned or leased by the license holder; and

(ii) registered with the commission.

(f) A hemp distributor's license holder may not knowingly use or employ any person under 21 years of age to work on the license holder's premises in any capacity.

(g) The transportation or shipment of consumable hemp products across state lines into foreign jurisdictions must be done in a manner that is consistent with federal law and the laws of those foreign jurisdictions.

Sec. 310.202. TRACKING. Each vehicle used by a holder of a hemp distributor's license must be equipped with a global positioning system tracking device. The commission shall by rule determine the length of time tracking data must be recorded and stored.

Sec. 310.203. VEHICLE MARKINGS. All vehicles used by a holder of a hemp distributor's license to transport consumable hemp products must display the distributor's discrete mark or brand and must have the holder's license number visible on the exterior.

Sec. 310.204. PURCHASE, SALE, AND TRANSPORTATION OF NATURAL HEMP FLOWER. For the purposes of this subchapter, a holder of a hemp distributor's license may purchase, sell, and transport natural hemp flower between the distributor and the holder of a hemp manufacturer's license, the holder of an out-of-state hemp manufacturer's license, a hemp retailer, and another hemp distributor in the same manner in which the distributor may purchase, sell, and transport consumable hemp products to those license holders under this subchapter.

SUBCHAPTER D. RETAIL SALE OF HEMP

Sec. 310.301. GENERAL HEMP RETAILER PROVISIONS. (a) Except as otherwise provided by this chapter, only a licensed hemp retailer may sell natural hemp flower or consumable hemp products at retail.

(b) A hemp retailer's location must be at a fixed location and may not be in a vehicle or otherwise mobile.

(c) A hemp retailer:

(1) may sell:

(A) natural hemp flower and consumable hemp products;

- (B) if the retailer holds a hemp beverage permit, hemp beverages; and
- (C) other products that do not contain cannabinoids; and

- (2) may not sell tobacco and nicotine products or alcoholic beverages.

(d) For the purposes of Subsection (c), the term alcoholic beverages does not include hemp beverages.

(e) A hemp retailer may deliver to ultimate consumers consumable hemp products:

(1) only in response to bona fide orders placed by the consumer with the retailer; and

- (2) only in areas where the sale of the product is legal in:

(A) the county in which the premises of the retailer making the sale is located;

(B) the city or town in which the premises of the retailer making the sale is located, if the license holder is located in a city or town; or

(C) an area not farther than two miles beyond the municipal boundary of the city or town in which the premises of the retailer is located, if applicable.

Sec. 310.302. OFF-PREMISE HEMP RETAILER'S LICENSE. (a) The holder of an off-premise hemp retailer's license may:

(1) purchase finished consumable hemp products and natural hemp flower in this state from the holder of a hemp manufacturer's, out-of-state hemp manufacturer's, or hemp distributor's license;

(2) purchase hemp beverages from persons authorized to manufacture and distribute hemp beverages under this code;

(3) sell finished consumable hemp products, hemp beverages, and natural hemp flower in unbroken original containers and packages on or from the holder's licensed premises at retail to ultimate consumers for off-premise consumption only and not for the purpose of resale; and

(4) sell and deliver finished consumable hemp products, hemp beverages, and natural hemp flower to ultimate consumers off the licensed premises, but not for resale purposes.

(b) The holder of an off-premise hemp retailer's license may ship consumable hemp products, hemp beverages, and natural hemp flower using a licensed hemp carrier, the United States Postal Service, or a hemp consumer delivery license holder or personally transport those items, if the shipping or transportation is for a lawful purpose, from the retailer's licensed premises to ultimate consumers, as provided by Subsection (a)(4).

(c) The holder of an off-premise hemp retailer's license personally transporting consumable hemp products, hemp beverages, or natural hemp flower under this section shall provide to the commission:

(1) a full description of each motor vehicle used by the license holder for transporting those items; and

- (2) any other information the commission requires.

(d) The holder of an off-premise hemp retailer's license may transport consumable hemp products, hemp beverages, and natural hemp flower only in a vehicle that is:

- (1) described by Subsection (c);

(2) owned or leased in good faith by the license holder or by the license holder's agent; and

(3) printed or painted with the retailer's discrete mark or brand and the retailer's license number as required for the holder of a hemp distributor's license under Section 310.203.

(e) A person may not hold or have an interest, directly or indirectly, in more than 25 hemp retailer stores or in their business or license.

(f) For the purpose of Subsection (e):

(1) a person has an interest in any license in which the person's spouse has an interest; and

(2) as to a corporate license holder, the stockholders, managers, officers, agents, servants, and employees of the corporation have an interest in the license, business, and hemp retailer stores of the corporation.

(g) An off-premise hemp retailer's license may not be owned or held by:

(1) a public corporation;

(2) any entity that is directly or indirectly owned or controlled, wholly or partly, by a public corporation; or

(3) any entity that would hold the license for the benefit of a public corporation.

(h) For purposes of Subsection (g), a public corporation means:

(1) any corporation or other legal entity whose shares or other evidence of ownership are listed on a public stock exchange; or

(2) any corporation or other legal entity in which more than 35 persons hold an ownership interest in the entity.

(i) Before the commission may renew an off-premise hemp retailer's license, an individual who is an owner or officer of the license holder must file with the commission a sworn affidavit stating that the license holder fully complies with the requirements of Subsection (g).

(j) Any off-premise hemp retailer's license holder who is injured in its business or property by another hemp retailer or by any other person by reason of anything prohibited in Subsection (g) may institute suit in any district court in the county where the violation is alleged to have occurred to require enforcement by injunctive procedures and to recover triple damages plus costs of suit, including reasonable attorney's fees.

(k) An off-premise hemp retailer's license holder may not knowingly use or employ any person under 21 years of age to work on the premises of the retailer in any capacity. This subsection does not apply to a person who is at least 18 years of age and who is employed by the person's parent or legal guardian to work in the retailer that is owned by the parent or legal guardian.

(l) An off-premise hemp retailer business may operate only during the hours in which a person may sell malt beverages under Section 105.05.

Sec. 310.303. ON-PREMISE HEMP RETAILER'S LICENSE. (a) The holder of an on-premise hemp retailer's license may engage in the same activities as the holder of an off-premise hemp retailer's license.

(b) In addition to the activities authorized under Subsection (a), an on-premise hemp retailer's license holder may sell consumable hemp products and natural hemp flower in unbroken original containers and packages on or from the holder's licensed premises at retail to ultimate consumers for on- or off-premise consumption and not for the purpose of resale.

(c) If an on-premise hemp retailer's license holder also obtains a hemp beverage permit, the license holder may serve, mix, and pour hemp beverages for on-premises consumption provided that the beverage provided to the consumer does not contain more than 10 milligrams of delta-9 tetrahydrocannabinol.

Sec. 310.304. RETAIL SALE OF CONSUMABLE HEMP PRODUCTS TRAINING PROGRAM. (a) The commission by rule shall develop a training program on:

(1) the requirements and responsibilities provided by law for persons authorized to sell consumable hemp products at retail; and

(2) the nature and risks associated with the consumption of consumable hemp products.

(b) The commission may develop the training program in conjunction with the training program required under Section 59.09.

(c) A license holder authorized to sell consumable hemp products at retail under this subchapter, and the holder's agents, servants, and employees that engage in such sales, shall annually complete the training program developed by the commission under Subsection (a).

(d) If a license holder authorized to sell consumable hemp products at retail is not an individual, an officer, director, or other individual with senior management responsibilities shall annually complete the training program developed under Subsection (a) on behalf of the license holder.

(e) The training program developed under this section is not a seller training program for purposes of Section 106.14.

Sec. 310.305. SALES NEAR CERTAIN LOCATIONS. (a) Notwithstanding any other law, the retail sale of consumable hemp products is prohibited within 300 feet of a school, church, public playground, day-care center, child-care center, homeless shelter, or substance abuse treatment center.

(b) The measurement of the distance between the place of business where consumable hemp products are sold and the school, church, playground, center, or shelter shall be in a direct line from the property line of the school, church, playground, center, or shelter to the property line of the place of business, and in a direct line across intersections.

Sec. 310.306. VIDEO SURVEILLANCE. (a) A license holder authorized to sell consumable hemp products at retail under this subchapter shall install a fully operational video surveillance and camera recording system on the licensed premises. The system must capture video of the portion of the premises accessible to the public, including the checkout area but excluding any restroom.

(b) A license holder shall make available on request any video recordings captured by the system to the commission or a law enforcement agency with jurisdiction over the license holder or premises.

(c) Video recordings under this section are private records under Section 5.48.

(d) The commission shall adopt rules establishing standards and requirements for the video surveillance and camera recording system and retention requirements for video footage captured on the system.

Sec. 310.307. ELECTRONIC VERIFICATION OF CONSUMER'S IDENTIFICATION. (a) A holder of a hemp retailer's license authorized to sell, serve, or deliver consumable hemp products, hemp beverages, or natural hemp flower to an ultimate consumer, or the license holder's agent, servant, or employee shall, before initiating the sale or delivery, verify that the purchaser or recipient of the delivery is 21 years of age or older.

(b) A person shall verify a purchaser's or recipient's age under Subsection (a) by:

- (1) personally inspecting the provided proof of identification;
- (2) scanning the provided proof of identification with a device capable of deciphering electronically readable information on a driver's license, commercial driver's license, or identification certificate;
- (3) using identification authentication software approved by the Department of Public Safety; and
- (4) using any other identification security features the commission determines appropriate.

(c) A proof of identification provided by a purchaser or recipient under this section must contain a physical description and photograph consistent with the person's appearance, purport to establish that the person is 21 years of age or older, and have been issued by a governmental agency. The proof of identification may include a driver's license or identification certificate issued by the Department of Public Safety, a passport, or a military identification card.

(d) A holder of a hemp retailer's license, or the license holder's agent, servant, or employee, may not sell, serve, or deliver a consumable hemp product or natural hemp flower to a purchaser or recipient unless the person presents an apparently valid, unexpired proof of identification.

Sec. 310.308. SELF-AUDITS. At least once every calendar quarter, a hemp retailer shall conduct a self-audit of inventory tracking and sales data and maintain the resulting data in the form required and for the duration required by the commission. The license holder shall provide the data to the commission on request. This data qualifies as a private record under Section 5.48.

Sec. 310.309. AGE REQUIREMENTS. Except as provided by Section 310.302(k) or other law, a person under 21 years of age may not be permitted to enter a hemp retailer premises.

SUBCHAPTER E. HEMP CARRIER LICENSE

Sec. 310.401. HEMP CARRIER LICENSE. (a) The holder of a hemp carrier license may transport consumable hemp products into and out of this state and between points within this state.

(b) The license holder may transport consumable hemp products from one wet area to another wet area across a dry area if that course of transportation is necessary or convenient.

(c) The holder of a hemp carrier license who transports consumable hemp products to the premises of a holder of a hemp manufacturer's license or hemp distributor's license, or the license holder's authorized place of storage, shall provide to the consignee a shipping invoice that clearly states:

(1) the name and address of the consignor and consignee;

(2) the origin and destination of the shipment; and

(3) any other information required by this code or commission rule, including the brands of consumable hemp products, sizes of containers, types of consumable hemp products, and quantities of consumable hemp products contained in the shipment.

(d) A hemp carrier license may be issued to:

(1) a water carrier;

(2) an airline;

(3) a railway;

(4) a motor carrier registered under Chapter 643, Transportation Code; or

(5) a common carrier operating under a certificate issued by the Interstate Commerce Commission.

(e) The holder of a hemp carrier license shall furnish information required by the commission concerning the transportation of consumable hemp products.

SUBCHAPTER F. HEMP CONSUMER DELIVERY LICENSE

Sec. 310.501. HEMP CONSUMER DELIVERY LICENSE. (a) The holder of a hemp consumer delivery license may contract with or employ a driver for the delivery of a consumable hemp product from the premises of the holder of a hemp manufacturer's license or hemp retailer to an ultimate consumer located in an area where the sale of the product is legal.

(b) In determining whether the sale of consumable hemp products is legal in an area for purposes of Subsection (a), a person who sells or delivers a consumable hemp product under that subsection may consult a map or other publicly available information produced by the commission for the purpose of establishing where the sale of consumable hemp products is legal.

(c) The holder of a hemp consumer delivery license may make deliveries of consumable hemp products:

(1) only in response to bona fide orders placed by the consumer under Subsection (a); and

(2) only in areas where the sale of the product is legal in:

(A) the county in which the premises of the license holder making the sale is located;

(B) the city or town in which the premises of the license holder making the sale is located, if the license holder is located in a city or town; or

(C) an area not farther than two miles beyond the municipal boundary of the city or town in which the premises of the license holder is located, if applicable.

(d) It is a defense to a prosecution alleging that an individual delivered a consumable hemp product under this chapter to an address located in an area that is dry for delivered consumable hemp products that:

(1) the individual or the holder of a hemp consumer delivery license relied on publicly available information produced by the commission relating to the wet or dry classification of the address; and

(2) the information indicated that the address to which the product was delivered was classified as wet for delivered consumable hemp products on the date of the delivery.

(e) A hemp consumer delivery license may be issued to a person who contracts with or employs individuals for the delivery of retail goods to consumers.

(f) A hemp consumer delivery license holder may not contract with or employ a person to make a delivery under this chapter unless the person:

(1) is 21 years of age or older; and

(2) holds a valid driver's license.

(g) A consumable hemp product may be delivered under this section only to a person who is 21 years of age or older. The person making the delivery must verify that the purchaser or recipient is 21 years of age or older in the manner provided under Section 310.307.

(h) A consumable hemp product may not be delivered under this chapter to any person other than:

(1) the person who purchased the product; or

(2) a recipient designated in advance by the purchaser.

(i) A consumable hemp product may be delivered under this chapter outside the hours of operation of the license holder from which the delivery is being made only if the delivery driver:

(1) receives the product from the license holder during the license holder's hours of legal sale; and

(2) completes the delivery to the consumer in a reasonable amount of time after leaving the license holder's premises.

(j) A holder of a hemp manufacturer's license's or hemp retailer's responsibilities under this code regarding delivery of a consumable hemp product to an ultimate consumer are considered satisfied at the time the manufacturer or retailer transfers possession of the product to the hemp consumer delivery license holder or a delivery driver employed by, contracted with, or acting on behalf of the holder of a hemp consumer delivery license.

(k) An action by a hemp consumer delivery license holder or by a delivery driver is not attributable to the holder of a hemp manufacturer's license or hemp retailer with regard to:

(1) providing, selling, or serving consumable hemp products to a minor or to an intoxicated individual;

(2) the delivery of consumable hemp products in a dry or otherwise illegal area, unless the manufacturer or retailer has contractually agreed to retain responsibility for ensuring that deliveries are not directed to a dry or otherwise illegal area; or

(3) any other provision of this code.

(l) A hemp manufacturer or retailer:

(1) is not required to verify that the hemp consumer delivery license holder or the delivery driver has received delivery driver training under Subsection (p)(1); and

(2) may not be held responsible for any reason under statutory or common law for the actions of a hemp consumer delivery license holder or a delivery driver acting on behalf of a hemp consumer delivery license holder.

(m) The actions of a delivery driver acting on behalf of a holder of a hemp consumer delivery license are not attributable to a holder of a hemp consumer delivery license if the license holder has not directly or indirectly encouraged the delivery driver to violate the law and the delivery driver:

(1) has a valid certification from the training program adopted under Subsection (p)(1); or

(2) completed the delivery using a hemp delivery compliance software application that meets the requirements established under Subsection (p)(2).

(n) Notwithstanding Subsection (m), if it is found, after notice and hearing, that the holder of a hemp consumer delivery license, an agent or employee of the license holder, or a person acting on behalf of the license holder delivered with criminal negligence a consumable hemp product to a minor or an intoxicated person, the commission or administrator may:

(1) suspend the license for not more than 90 days for the first violation;

(2) suspend the license for not more than six months for the second violation; and

(3) suspend the license for not more than 12 months for a third violation within a period of 36 consecutive months.

(o) For purposes of Subsection (n), it is a rebuttable presumption that a sale or delivery of a consumable hemp product to a minor or an intoxicated person was not made with criminal negligence if the delivery driver:

(1) at the time of the delivery held a valid certification from the training program adopted under Subsection (p)(1); and

(2) completed the delivery as a result of a technical malfunction of a hemp delivery compliance software application that otherwise meets the requirements established under Subsection (p)(2).

(p) The commission by rule shall:

(1) adopt and administer a hemp delivery training program for the purpose of training and certifying delivery drivers contracting with or employed by the holder of a hemp manufacturer's, retailer's, or consumer delivery license; and

(2) establish minimum requirements for hemp delivery compliance software applications.

(q) The commission shall implement a system that allows the holder of a hemp manufacturer's, retailer's, or consumer delivery license to verify in real time whether a delivery driver has a valid certification from the training program adopted under Subsection (p)(1).

SUBTITLE D. CONSUMABLE HEMP PRODUCTS AND HEMP FLOWERCHAPTER 320. CONSUMABLE HEMP PRODUCT REQUIREMENTS

Sec. 320.001. DOMESTIC SOURCING. All ingredients for a consumable hemp product must originate from within the United States unless the commission specifically approves an ingredient originating from another location.

Sec. 320.002. INGREDIENTS OF CONSUMABLE HEMP PRODUCT. (a) Each ingredient in a consumable hemp product must be organic and may not include genetically modified organisms unless the commission specifically approves the ingredient.

(b) An ingredient in a consumable hemp product may not include an artificial dye or other artificial product unless the commission specifically approves the ingredient.

Sec. 320.003. CONVERTED OR SYNTHETIC CANNABINOIDS PROHIBITED. A consumable hemp product may not contain any converted or synthetic cannabinoids.

Sec. 320.004. PROHIBITED FORMS OF CONSUMABLE HEMP PRODUCTS. (a) Except as provided by Subsection (b), a consumable hemp product may not resemble common snacks such as chips, candy, chewing gum, or other products attractive to minors.

(b) A consumable hemp product may be in the form of gummies, pills, or mints, provided that the form of the item and packaging are not attractive to minors and comply with Sections 322.001 and 322.002.

(c) A consumable hemp product may not be in a form intended for inhaling by heating the product, including as a hemp-infused oil.

Sec. 320.005. TOTAL TETRAHYDROCANNABINOL LIMIT FOR CONSUMABLE HEMP PRODUCTS. (a) A consumable hemp product that is an oil-based tincture may not contain more than, subject to allowable variance rates and the measure of uncertainty:

(1) 2.5 milligrams of tetrahydrocannabinol in each one-milliliter serving; or

(2) 75 milligrams of tetrahydrocannabinol in each container.

(b) A consumable hemp product other than an oil-based tincture may not contain more than, subject to allowable variance rates and the measure of uncertainty:

(1) 10 milligrams of tetrahydrocannabinol in each serving; or

(2) one gram of tetrahydrocannabinol in each container.

Sec. 320.006. 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:

(1) submits an application for the consumable hemp product to be registered with the commission that includes front and back pictures of the product; and

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

(b) The commission shall issue a unique product registration number to each consumable hemp product approved by and registered with the commission.

(c) A manufacturer applying to register a consumable hemp product under this section shall pay an application fee to the commission in the amount of \$100 for each consumable hemp product the manufacturer seeks to register.

(d) The commission may not approve for sale or register a consumable hemp product that:

- (1) contains any converted or synthetic cannabinoids; or
- (2) contains or is mixed with alcohol, tobacco, nicotine, kratom, kava, psychoactive mushrooms, or a derivative of any of those items.

(e) The commission may adopt rules for the submission of and requirements for an application for registration under this section.

Sec. 320.007. REGISTERED PRODUCT WEBSITE. The commission shall maintain an updated product registration list on the commission's public Internet website, which must include front and back identifying pictures of each registered consumable hemp product for the purpose of confirming registration of the product and allowing verification of the product by law enforcement.

CHAPTER 321. NATURAL HEMP FLOWER REQUIREMENTS

Sec. 321.001. TEXAS ORIGIN. Natural hemp flower distributed and sold in this state must be grown in this state.

Sec. 321.002. ADDITIVES PROHIBITED. A grower, manufacturer, distributor, or retailer of hemp may not add any ingredient to natural hemp flower.

Sec. 321.003. PACKAGING. A natural hemp flower must be sealed in a child resistant container that is labeled with:

- (1) the retail license number and hemp testing laboratory number; and
- (2) a QR code that links to the certificate of analysis showing that the total tetrahydrocannabinol concentration is less than 0.3 percent by dry weight.

CHAPTER 322. PACKAGING, LABELING, AND ADVERTISING OF CONSUMABLE HEMP PRODUCTS

Sec. 322.001. LABELING REQUIREMENTS. (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 labeled in the manner provided by this section with the following information:

(1) the common name of the product, stated clearly, prominently, and truthfully;

(2) the product ingredients;

(3) any relevant major food allergens identified in the federal Food and Drug Act;

(4) the batch identification number;

(5) the batch date;

(6) the product name;

(7) a uniform resource locator that provides or links to a certificate of analysis for the product;

(8) the name and commission license number of the product's manufacturer;

(9) a certification that the tetrahydrocannabinol content of the product complies with state law;

(10) the identity and concentration of each hemp-derived cannabinoid in the product; and

(11) if the product contains tetrahydrocannabinols, a tetrahydrocannabinol warning icon adopted by the commission.

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

(1) a QR code that links to the commission's product registration list under Section 320.007, including the identifying pictures of the back and front of the product; and

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

(c) The labeling required under this section must appear on each unit of the product intended for individual retail sale. If that unit includes inner and outer packaging, the labeling may appear on any of that packaging.

(d) Packaging for a consumable hemp product that contains tetrahydrocannabinols must be tamper evident and child resistant.

Sec. 322.002. PACKAGING PROHIBITIONS. (a) A person may not market, advertise, sell, or cause to be sold a consumable hemp product that:

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

(2) is in packaging or a container that:

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

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

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

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

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

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

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

(1) uses comically exaggerated features and attributes;

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

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

Sec. 322.003. ADVERTISING RESTRICTIONS. (a) A person may not advertise or promote a consumable hemp product in a manner that is targeted or attractive to minors or that could cause a reasonable person or minor to confuse the product for medicine, candy, snacks, or other food products that are widely distributed and familiar to the public.

(b) A person may not advertise or use signage that asserts consumable hemp products are safe because the products are:

(1) regulated by the state or the commission; or

(2) tested by the state, commission, another governmental entity, or a testing facility.

(c) A person may not advertise a consumable hemp product using amplified sound from, or signs, pictures, or video on, a vehicle on a public street or highway.

Sec. 322.004. LICENSE HOLDER ADVERTISING RESTRICTIONS. (a) A license holder may not:

- (1) engage in advertising that is deceptive, false, or misleading;
- (2) make any deceptive, false, or misleading assertions or statements on a product, sign, or document provided to a consumer;
- (3) engage in marketing directed toward location-based devices, including cellular phones; or
- (4) use unsolicited pop-up advertisements on an Internet website.

Sec. 322.005. PROHIBITED SPONSORSHIP OR ADVERTISEMENT AT CERTAIN EVENTS. A license holder may not sponsor, and a person may not advertise a consumable hemp product at, a charitable, sports, or similar event.

Sec. 322.006. LOCATION OF ADVERTISEMENTS. (a) In this section:

- (1) "Homeless shelter" has the meaning assigned by Section 109.36.
- (2) "Playground" and "school" have the meanings assigned by Section 481.134, Health and Safety Code.

(b) A person may not advertise a consumable hemp product or a consumable hemp product business on an outdoor sign that is within 300 feet of a school, church, playground, day-care center, child-care center, homeless shelter, or substance abuse treatment center.

(c) Subsection (b) does not apply to a license holder engaged in business unrelated to consumable hemp products if the advertisement does not promote a consumable hemp product or the license holder's involvement with a consumable hemp product.

Sec. 322.007. ADVERTISING; RULES. The commission shall adopt rules regarding the advertisement and promotion of consumable hemp products by license holders, including rules that restrict the advertisement or promotion of a consumable hemp product to minors to the full extent permitted by the United States Constitution and Texas Constitution.

SUBTITLE E. ENFORCEMENT

CHAPTER 340. PROHIBITIONS AND OFFENSES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 340.001. PROHIBITIONS. (a) A person may not sell, offer for sale, possess, distribute, or transport a consumable hemp product or hemp beverage in this state that:

- (1) contains any material extracted or derived from the plant cannabis sativa L., other than from hemp produced in compliance with 7 U.S.C. Subchapter VII, Chapter 38;
- (2) is not labeled with the license numbers of the manufacturer and hemp testing laboratory that performed the compliance testing for the product's batch; or
- (3) has not been tested by a hemp testing laboratory in compliance with Chapter 305.

(b) The commission and the Department of Public Safety shall establish a process for the random testing of consumable hemp products and hemp beverages at various retail and other establishments that sell, offer for sale, distribute, or use the products or beverages to ensure that the products or beverages:

- (1) do not contain harmful ingredients;

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

(3) have a tetrahydrocannabinol content in compliance with the applicable limit established by Section 1.04(35), 59.10, or 320.005.

Sec. 340.002. DECEPTIVE TRADE PRACTICE. A person who sells, offers for sale, or distributes a consumable hemp product or hemp beverage commits a false, misleading, or deceptive act or practice actionable under Subchapter E, Chapter 17, Business & Commerce Code:

(1) if the person falsely claims the product or beverage has been processed or manufactured in compliance with this title; or

(2) if the product or beverage:

(A) contains harmful ingredients;

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

(C) has a tetrahydrocannabinol content that exceeds the applicable limit established by Section 1.04(35), 59.10, or 320.005.

SUBCHAPTER B. CRIMINAL OFFENSES

Sec. 340.101. OFFENSE: MANUFACTURE, DELIVERY, OR POSSESSION WITH INTENT TO DELIVER CERTAIN CONSUMABLE HEMP PRODUCTS OR HEMP BEVERAGES. (a) A person commits an offense if the person knowingly manufactures, delivers, or possesses with intent to deliver a consumable hemp product or hemp beverage that contains:

(1) synthetic or converted cannabinoids; or

(2) an amount of tetrahydrocannabinol that exceeds the applicable limit established by Section 1.04(35), 59.10, or 320.005.

(b) An offense under this section is a state jail felony.

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

Sec. 340.102. OFFENSE: POSSESSION OF CERTAIN CONSUMABLE HEMP PRODUCTS OR HEMP BEVERAGES. (a) A person commits an offense if the person intentionally or knowingly possesses a consumable hemp product or hemp beverage that contains:

(1) synthetic or converted cannabinoids; or

(2) an amount of tetrahydrocannabinol that exceeds the applicable limit established by Section 1.04(35), 59.10, or 320.005.

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

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

Sec. 340.103. OFFENSE: SALE OR DELIVERY OF CONSUMABLE HEMP PRODUCTS OR HEMP BEVERAGES NEAR SCHOOL. (a) In this section, "premises," notwithstanding any other provision of this code, and "school" have the meanings assigned by Section 481.134, Health and Safety Code.

(b) A person commits an offense if the person sells, offers for sale, or delivers a consumable hemp product or hemp beverage in, on, or within 300 feet of the premises of a school.

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

Sec. 340.104. OFFENSE: FALSE LABORATORY REPORT. (a) A person commits an offense if the person, with the intent to deceive, forges, falsifies, or alters the results of a laboratory test authorized or required by this title.

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

Sec. 340.105. OFFENSE: PURCHASE AND POSSESSION LIMITS OF NATURAL HEMP FLOWER. (a) A person who does not hold a license under this title commits an offense if the person:

(1) purchases more than one ounce of natural hemp flower in one day; or

(2) knowingly possesses more than one ounce of natural hemp flower.

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

Sec. 340.106. OFFENSE: POSSESSION OF NATURAL HEMP FLOWER IN OPEN CONTAINER IN MOTOR VEHICLE. (a) In this section:

(1) "Open container" means a package, container, or other receptacle that contains any amount of natural hemp flower and that is open, that has been opened, that has a broken seal, or the contents of which are partially removed.

(2) "Passenger area of a motor vehicle" means the area of a motor vehicle designed for the seating of the operator and passengers of the vehicle. The term does not include:

(A) a glove compartment or similar storage container that is locked;

(B) the trunk of a vehicle; or

(C) the area behind the last upright seat of the vehicle, if the vehicle does not have a trunk.

(3) "Public highway" means the entire width between and immediately adjacent to the boundary lines of any public road, street, highway, interstate, or other publicly maintained way if any part is open for public use for the purpose of motor vehicle travel. The term includes the right-of-way of a public highway.

(b) A person commits an offense if the person knowingly possesses an open container in a passenger area of a motor vehicle that is located on a public highway, regardless of whether the vehicle is being operated or is stopped or parked. Possession by a person of one or more open containers in a single criminal episode is a single offense.

(c) It is an exception to the application of Subsection (b) that at the time of the offense the defendant was a passenger in:

(1) the passenger area of a motor vehicle designed, maintained, or used primarily for the transportation of persons for compensation, including a bus, taxicab, or limousine; or

(2) the living quarters of a motorized house coach or motorized house trailer, including a self-contained camper, a motor home, or a recreational vehicle.

(d) An offense under this section is a Class C misdemeanor.

(e) A peace officer charging a person with an offense under this section, instead of taking the person before a magistrate, shall issue to the person a written citation and notice to appear that contains the time and place the person must appear before a

magistrate, the name and address of the person charged, and the offense charged. If the person makes a written promise to appear before the magistrate by signing in duplicate the citation and notice to appear issued by the officer, the officer shall release the person.

SECTION 86. The heading to Chapter 501, Election Code, is amended to read as follows:

CHAPTER 501. LOCAL OPTION ELECTIONS ON SALE OF CONSUMABLE HEMP PRODUCTS, HEMP BEVERAGES, OR ALCOHOLIC BEVERAGES

SECTION 87. Section 501.001(1), Election Code, is amended to read as follows:

(1) "Alcoholic beverage," "commission," "consumable hemp product," "hemp beverage," "liquor," "malt beverage," "mixed beverage," and "wine and vinous liquor" have the meanings assigned by Section 1.04, Alcoholic Beverage Code.

SECTION 88. Section 501.021, Election Code, is amended to read as follows:

Sec. 501.021. ELECTION TO BE HELD BY PETITION. On proper petition by the required number of voters of a county, justice precinct, or municipality in the county, the commissioners court shall order a local option election in the political subdivision to determine whether the sale of consumable hemp products, hemp beverages, or alcoholic beverages of one or more of the various types and alcoholic contents shall be prohibited or legalized in the political subdivision.

SECTION 89. Section 501.023(a), Election Code, is amended to read as follows:

(a) If 10 or more qualified voters of any county, justice precinct, or municipality file a written application and provide proof of publication of notice in a newspaper of general circulation in that political subdivision, the county clerk of the county shall issue to the applicants a petition to be circulated among the qualified voters of the political subdivision for the signatures of those qualified voters who desire that a local option election be called for the purpose of determining whether the sale of consumable hemp products, hemp beverages, or alcoholic beverages of one or more of the various types and alcoholic contents shall be prohibited or legalized in the political subdivision. The notice must include:

(1) the individual or entity that is applying for the petition to gather signatures for a local option [~~liquor~~] election;

(2) the type of local option [~~liquor~~] election;

(3) the name of the political subdivision in which the petition will be circulated; and

(4) the name and title of the person with whom the application will be filed.

SECTION 90. Sections 501.024(a) and (b), Election Code, are amended to read as follows:

(a) An application for a petition seeking an election to prohibit the sale of consumable hemp products, hemp beverages, or alcoholic beverages of one or more of the various types and alcoholic contents must be headed: "Application for Local Option Election Petition to Prohibit."

(b) The application must contain a statement just ahead of the signatures of the applicants, as follows: "It is the hope, purpose and intent of the applicants whose signatures appear hereon to see prohibited the sale of consumable hemp products, hemp beverages, or alcoholic beverages, as applicable, referred to in the issue set out above."

SECTION 91. Sections 501.025(a) and (b), Election Code, are amended to read as follows:

(a) An application for a petition seeking an election to legalize the sale of consumable hemp products, hemp beverages, or alcoholic beverages of one or more of the various types and alcoholic contents must be headed: "Application for Local Option Election Petition to Legalize."

(b) The application must contain a statement just ahead of the signatures of the applicants, as follows: "It is the hope, purpose and intent of the applicants whose signatures appear hereon to see legalized the sale of consumable hemp products, hemp beverages, or alcoholic beverages, as applicable, referred to in the issue set out above."

SECTION 92. Sections 501.027(a) and (b), Election Code, are amended to read as follows:

(a) Each page of the petition for a local option election seeking to prohibit the sale of consumable hemp products, hemp beverages, or alcoholic beverages of one or more of the various types and alcoholic contents must be headed "Petition for Local Option Election to Prohibit."

(b) The petition must contain a statement just ahead of the signatures of the petitioners, as follows: "It is the hope, purpose and intent of the petitioners whose signatures appear hereon to see prohibited the sale of consumable hemp products, hemp beverages, or alcoholic beverages, as applicable, referred to in the issue set out above."

SECTION 93. Sections 501.028(a) and (b), Election Code, are amended to read as follows:

(a) Each page of the petition for a local option election seeking to legalize the sale of consumable hemp products, hemp beverages, or alcoholic beverages of one or more of the various types and alcoholic contents must be headed "Petition for Local Option Election to Legalize."

(b) The petition must contain a statement just ahead of the signatures of the petitioners, as follows: "It is the hope, purpose and intent of the petitioners whose signatures appear hereon to see legalized the sale of consumable hemp products, hemp beverages, or alcoholic beverages, as applicable, referred to in the issue set out above."

SECTION 94. Section 501.034(a), Election Code, is amended to read as follows:

(a) The election order must state in its heading and text whether the local option election to be held is for the purpose of prohibiting or legalizing the sale of consumable hemp products, hemp beverages, or the alcoholic beverages set out in the issue recited in the application and petition.

SECTION 95. Sections 501.035(b) and (c), Election Code, are amended to read as follows:

(b) In an area where consumable hemp products, hemp beverages, or any type or classification of alcoholic beverages is prohibited and the issue submitted pertains to legalization of the sale of one or more of the prohibited types or classifications, the ballot shall be prepared to permit voting for or against the one of the following issues that applies:

- (1) "The legal sale of malt beverages for off-premise consumption only."
- (2) "The legal sale of malt beverages."
- (3) "The legal sale of malt beverages and wine for off-premise consumption only."
- (4) "The legal sale of malt beverages and wine."
- (5) "The legal sale of all alcoholic beverages for off-premise consumption only."
- (6) "The legal sale of all alcoholic beverages except mixed beverages."
- (7) "The legal sale of all alcoholic beverages including mixed beverages."
- (8) "The legal sale of mixed beverages."
- (9) "The legal sale of mixed beverages in restaurants by food and beverage certificate holders only."
- (10) "The legal sale of wine on the premises of a holder of a winery permit."
- (11) "The legal sale of consumable hemp products."
- (12) "The legal sale of hemp beverages."

(c) In an area where the sale of consumable hemp products, hemp beverages, or any type or classification of alcoholic beverages has been legalized, the ballot for a prohibitory election shall be prepared to permit voting for or against the one of the following issues that applies:

- (1) "The legal sale of malt beverages for off-premise consumption only."
- (2) "The legal sale of malt beverages."
- (3) "The legal sale of malt beverages and wine for off-premise consumption only."
- (4) "The legal sale of malt beverages and wine."
- (5) "The legal sale of all alcoholic beverages for off-premise consumption only."
- (6) "The legal sale of all alcoholic beverages except mixed beverages."
- (7) "The legal sale of all alcoholic beverages including mixed beverages."
- (8) "The legal sale of mixed beverages."
- (9) "The legal sale of mixed beverages in restaurants by food and beverage certificate holders only."
- (10) "The legal sale of wine on the premises of a holder of a winery permit."
- (11) "The legal sale of consumable hemp products."
- (12) "The legal sale of hemp beverages."

SECTION 96. Section 501.107, Election Code, is amended to read as follows:

Sec. 501.107. COUNTY PAYMENT OF ELECTION EXPENSES. The county shall pay the expense of holding a local option election authorized by this chapter in the county, justice precinct, or municipality in that county except that:

(1) if an election is to be held only within the corporate limits of a municipality located wholly within the county, the county may require the municipality to reimburse the county for all or part of the expenses of holding the local option election;

(2) county payment of the expense of an election to legalize the sale of consumable hemp products, hemp beverages, or alcoholic beverages is limited to the holding of one election in a political subdivision during a one-year period; and

(3) county payment of the expense of an election to prohibit the sale of consumable hemp products, hemp beverages, or alcoholic beverages is limited to the holding of one election in a political subdivision during a one-year period.

SECTION 97. Section 501.109(a), Election Code, is amended to read as follows:

(a) This section applies only to an election to permit or prohibit the legal sale of consumable hemp products, hemp beverages, or alcoholic beverages of one or more of the various types and alcoholic contents in a municipality.

SECTION 98. Sections 501.151(b) and (c), Election Code, are amended to read as follows:

(b) In a prohibitory election, if a majority of the votes cast do not favor the issue "The legal sale. . .," the court's order must state that the sale of consumable hemp products, hemp beverages, or the type or types of beverages stated in the issue at the election is prohibited effective on the 30th day after the date the order is entered. The prohibition remains in effect until changed by a subsequent local option election held under this chapter.

(c) In a legalization election, if a majority of the votes cast favor the issue "The legal sale . . .," the legal sale of consumable hemp products, hemp beverages, or the type or types of beverages stated in the issue at the election is legal on the entering of the court's order. The legalization remains in effect until changed by a subsequent local option election held under this code.

SECTION 99. Section 501.154(a), Election Code, is amended to read as follows:

(a) A commissioners court order declaring the result of a local option election and prohibiting the sale of any or all types of consumable hemp products, hemp beverages, or alcoholic beverages must be published by posting the order at three public places in the county or other political subdivision in which the election was held.

SECTION 100. Section 411.110(a), Government Code, is amended to read as follows:

(a) The Department of State Health Services and the Health and Human Services Commission are entitled to obtain criminal history record information as provided by Subsection (a-1) that relates to a person who is:

(1) an applicant for a license or certificate under Chapter 773, Health and Safety Code, an owner or manager of an applicant for an emergency medical services provider license under that chapter, or the holder of a license or certificate under that chapter;

(2) an applicant for a license or a license holder under Subchapter I, L, or N, Chapter 431, Health and Safety Code;

- (3) an applicant for employment at or current employee of:
- (A) a public health hospital as defined by Section 13.033, Health and Safety Code; or
 - (B) the South Texas Health Care System;
- (4) an applicant for employment at, current employee of, or person who contracts or may contract to provide goods or services with the Council on Sex Offender Treatment or other division or component of the Health and Human Services Commission that monitors sexually violent predators as described by Section 841.003(a), Health and Safety Code; or
- (5) authorized to access vital records or the vital records electronic registration system under Chapter 191, Health and Safety Code, including an employee of or contractor for the Department of State Health Services, a local registrar, a medical professional, or a funeral director~~;~~ ~~or~~
- ~~[(6) an applicant for a license or a license holder under Subchapter C, Chapter 443, Health and Safety Code].~~

SECTION 101. Effective September 1, 2027, Section 431.011, Health and Safety Code, is amended to read as follows:

Sec. 431.011. APPLICABILITY OF CHAPTER TO CONSUMABLE HEMP PRODUCTS AND MANUFACTURERS. (a) This chapter applies to a consumable hemp product subject to Title 7, Alcoholic Beverage Code ~~[Chapter 443]~~. An article regulated under this chapter may not be deemed to be adulterated solely on the basis that the article is a consumable hemp product.

(b) Except as provided by Subsection (c), this chapter applies to the conduct of a person who holds a license under Title 7, Alcoholic Beverage Code ~~[Chapter 443]~~.

(c) A person who holds a license under Title 7, Alcoholic Beverage Code, ~~[Chapter 443]~~ related to the processing of hemp or the manufacturing of a consumable hemp product regulated under that title ~~[chapter]~~ and is engaging in conduct within the scope of that license is not required to hold a license as a food manufacturer or food wholesaler under Subchapter J.

SECTION 102. Section 431.2211(a-3), Health and Safety Code, is amended to read as follows:

(a-3) A person is not required to hold a license under this subchapter if the person holds a license under Title 7, Alcoholic Beverage Code, ~~[Chapter 443]~~ and is engaging in conduct within the scope of that license.

SECTION 103. Section 60.002, Occupations Code, is amended to read as follows:

Sec. 60.002. REQUIREMENTS FOR DIGITAL LICENSES. A licensing authority that issues an occupational license may issue a digital license to a license holder. If the licensing authority issues a digital license, the digital license must comply with the following requirements:

(1) the digital license must be in a secure format and readily accessible by the license holder through an Internet website and on a wireless communication device;

(2) the public must be able to view a license holder's digital license through an Internet website or by using a QR code as defined by Section 1.04, Alcoholic Beverage ~~[443.001, Health and Safety]~~ Code; and

(3) if the authority contracts with a vendor for the issuance of a digital license, the digital license must be in a format in which the vendor and authority can verify the validity of the license.

SECTION 104. Subchapter A, Chapter 183, Tax Code, is amended by adding Section 183.002 to read as follows:

Sec. 183.002. CERTAIN HEMP BEVERAGES. For purposes of this chapter and Section 151.308, a mixed beverage includes a hemp beverage as defined by Section 1.04, Alcoholic Beverage Code.

SECTION 105. Section 543.004(a), Transportation Code, is amended to read as follows:

(a) An officer shall issue a written notice to appear if:

(1) the offense charged is:

(A) speeding;

(B) the use of a wireless communication device under Section 545.4251; or

(C) a violation of an ~~[the]~~ open container law under[;] Section 49.031, Penal Code, or Section 340.106, Alcoholic Beverage Code; and

(2) the person makes a written promise to appear in court as provided by Section 543.005.

SECTION 106. Section 545.420(e), Transportation Code, is amended to read as follows:

(e) An offense under Subsection (a) is a Class A misdemeanor if it is shown on the trial of the offense that:

(1) the person has previously been convicted one time of an offense under that subsection; or

(2) the person, at the time of the offense:

(A) was operating the vehicle while intoxicated, as defined by Section 49.01, Penal Code; or

(B) was in possession of an open container, as defined by Section 49.031, Penal Code, or Section 340.106, Alcoholic Beverage Code.

SECTION 107. Chapter 443, Health and Safety Code, is repealed effective January 1, 2027.

SECTION 108. As soon as practicable after the effective date of this Act, the Texas Alcoholic Beverage Commission and the Department of State Health Services shall adopt rules as required by this Act.

SECTION 109. (a) On January 1, 2027, the following are transferred from the Department of State Health Services to the Texas Alcoholic Beverage Commission:

(1) the powers, duties, and functions of the Department of State Health Services under Title 7, Alcoholic Beverage Code, as added by this Act; and

(2) all property and records in the custody of the Department of State Health Services that are related to a power, duty, or function transferred under this Act and all funds appropriated by the legislature for that power, duty, or function.

(b) A rule, form, policy, procedure, or decision of the Department of State Health Services related to a power, duty, or function transferred under this Act continues in effect as a rule, form, policy, procedure, or decision of the Texas Alcoholic Beverage Commission and remains in effect until amended or replaced by

that agency. Notwithstanding any other law, beginning September 1, 2025, the Texas Alcoholic Beverage Commission may propose rules, forms, policies, and procedures related to a function to be transferred to the commission under this Act.

SECTION 110. Effective September 1, 2025, a person holding a license, permit, or registration issued under Chapter 443, Health and Safety Code, may continue to operate under that license, permit, or registration until that license, permit, or registration expires. The Department of State Health Services may not renew a license, permit, or registration unless it complies with this Act.

SECTION 111. (a) Except as otherwise provided by this section, this Act takes effect January 1, 2027.

(b) Sections 3, 45, 52 through 68, and 76 of this Act take effect September 1, 2025.

(c) The following provisions, as added by this Act, take effect September 1, 2025:

- (1) Sections 301.001 and 301.002, Alcoholic Beverage Code;
- (2) Chapters 305, 321, and 340, Alcoholic Beverage Code; and
- (3) Sections 320.001, 320.002, 320.003, 320.004, and 320.005, Alcoholic Beverage Code.

Floor Amendment No. 1

Amend **CSSB 3** (house committee report) as follows:

- (1) On page 3, line 11, strike "302" and substitute "305".
- (2) On page 4, strike lines 19 through 24 and substitute the following:
 - (33) "Consumable hemp product" means a food or drug, as those terms are defined by Section 431.002, Health and Safety Code, that contains hemp or one or more cannabinoids. Unless context indicates otherwise, the term includes natural hemp flower, as that term is defined by Section 301.001. The term does not include a hemp beverage or a topical product containing hemp.
- (3) On page 8, between lines 3 and 4, insert the following:
 - (c) Chapter 2110, Government Code, does not apply to an advisory committee established under this section.
- (4) On page 10, line 26, strike "lab licensed under Chapter 301" and substitute "laboratory licensed under Chapter 305".
- (5) On page 16, line 16, between "FEES." and "The", insert "(a)".
- (6) On page 17, between lines 2 and 3, insert the following:
 - (b) A fee collected under this section shall be deposited to the credit of the general revenue fund and appropriated to the fund in the same manner as a tax on consumable hemp products under Section 202.016.
- (7) On page 17, line 26, strike "a sign" and substitute "signs".
- (8) On page 18, lines 18 and 19, strike "holder of a hemp beverage permit" and substitute "hemp beverage permittee".
- (9) On page 19, line 26, strike "sell or deliver" and substitute "sell, serve, or deliver".
- (10) On page 22, strike lines 11 through 18 and substitute the following:

(h) A multi-serving hemp beverage may only be sold or delivered to an ultimate consumer in a container size less than or equal to 1.5 liters. The delta-9 tetrahydrocannabinol concentration of a multi-serving hemp beverage sold or delivered to an ultimate consumer may not exceed:

(1) one milligram per ounce for a beverage marketed as a pre-mixed hemp cocktail; or

(2) 10 milligrams per ounce for any multi-serving hemp beverage other than a beverage described by Subdivision (1).

(11) On page 22, line 25, strike "package" and substitute "container".

(12) On page 25, line 18, between "distributor's" and "license", insert "or branch distributor's".

(13) On page 27, line 6, strike "as provided under this section" and substitute "in the same manner as the license holder may sell alcoholic beverages under this chapter".

(14) On page 27, line 9, between "retailers" and "and", insert ", package store permit holders, mixed beverage permit holders, private club registration permit holders,".

(15) On page 30, line 5, strike "any" and substitute "more than one-half of one percent".

(16) On page 30, line 20, between "type" and "of", insert "or brand".

(17) On page 30, lines 21 and 22, strike "or nonresident brewer's" and substitute ", nonresident brewer's, or brewpub".

(18) On page 34, strike lines 4 through 9.

(19) On page 47, line 24, between "DEFINED." and "In", insert "(a)".

(20) On page 48, between lines 5 and 6, insert the following:

(b) For purposes of this chapter, the term "first sale" does not include the sale of work in progress from the holder of a hemp manufacturer's license to another holder of a hemp manufacturer's license.

(21) On page 48, line 6, between "PRODUCTS." and "A", insert "(a)".

(22) On page 48, between lines 9 and 10, insert the following:

(b) A tax is imposed on the first sale of natural hemp flower at the rate of two cents per gram of natural hemp flower.

(23) On page 51, lines 22 and 23, between "to" and "consumable", insert "hemp beverages and".

(24) On page 52, line 22, between "beverages" and the underlined semicolon, insert "and consumable hemp products".

(25) On page 57, line 6, between "composition" and the underlined period, insert "that displays the information required to be included under Sections 310.101(l) and 310.102(d)".

(26) On page 57, strike "less" and substitute "not more" in each of the following places it appears:

(A) line 16; and

(B) line 26.

(27) In added Section 301.001, Alcoholic Beverage Code (page 58, between lines 9 and 10), insert the following appropriately numbered subdivision and renumber subsequent subdivisions of that section accordingly:

() "Premises" means the grounds and all buildings, vehicles, and appurtenances pertaining to the grounds, including any adjacent premises if they are directly or indirectly under the control of the same person.

(28) On page 59, line 11, strike "retailer or" and substitute "distributor, retailer, or".

(29) On page 61, line 24, strike "2027" and substitute "2029".

(30) On page 62, line 5, strike "commission under" and substitute "commission. A hemp testing laboratory licensed under this chapter must comply with the requirements of".

(31) On page 63, between lines 6 and 7, insert the following:

(c) The commission by rule may impose more restrictive requirements than otherwise provided under this section regarding the ownership of or interest in a hemp testing laboratory by a holder of a license issued under this title or a hemp beverage permit.

(32) On page 71, line 16, strike "rule" and substitute "the commission".

(33) On page 76, line 3, between "that" and "manufactures", insert "tests,".

(34) On page 76, line 14, strike "and".

(35) On page 76, line 15, between "license" and the underlined period, insert the following:
; and

(8) \$1,000 for a hemp testing laboratory

(36) On page 76, lines 16 and 17, strike "as provided in a fund dedicated for the administration of hemp laws" and substitute "and appropriated to the fund in the same manner as a tax on consumable hemp products under Section 202.016".

(37) Strike page 76, line 27, through page 77, line 4, and substitute the following:

(e) The commission may not refund a license fee except when an application for a license is rejected by the commission or administrator. As much of the proceeds from license fees as is necessary may be appropriated for that purpose.

(38) On page 82, line 12, strike "310.301 and 310.302" and substitute "310.302 and 310.303".

(39) On page 88, lines 21 and 22, strike "license holder" and substitute "licensee".

(40) On page 92, line 17, strike "and" and substitute "including".

(41) On page 94, line 2, strike "310.204" and substitute "310.203".

(42) On page 95, lines 20 and 21, strike "or another out-of-state hemp manufacturer".

(43) Strike page 97, line 20, through page 98, line 1.

(44) On page 98, line 24, immediately following the underlined semicolon, insert "and".

(45) On page 98, strike lines 25 and 26.

(46) On page 98, line 27, strike "(4)" and substitute "(3)".

(47) On page 100, strike lines 17 through 25.

(48) Strike added Section 310.301(a), Alcoholic Beverage Code (page 100, line 27, through page 101, line 3), and reletter subsequent subsections in that section accordingly.

(49) On page 105, strike lines 8 through 11 and substitute the following:

Sec. 310.303. ON-PREMISE HEMP RETAILER'S LICENSE. (a) Except as otherwise provided in this section, all requirements, restrictions, and privileges of an off-premise hemp retailer's license provided under Section 310.302 apply to an on-premise hemp retailer's license holder.

(50) On page 105, line 12, strike "activities" and substitute "privileges".

(51) Strike "under this subchapter" in each of the following places it appears:

(A) page 106, line 7; and

(B) page 107, lines 3 and 4.

(52) Between "a" and "hemp" insert "hemp manufacturer's license or" in each of the following places it appears:

(A) page 107, line 19; and

(B) page 108, line 18.

(53) On page 109, line 4, strike "a hemp retailer premises" and substitute "the premises of a holder of a hemp manufacturer's license or hemp retailer".

(54) On page 116, line 7, between "TOTAL" and "TETRAHYDROCANNABINOL", insert "DELTA-9".

(55) On page 116, between "of" and "tetrahydrocannabinol", insert "delta-9" in each of the following places:

(A) line 11;

(B) line 13;

(C) line 18; and

(D) line 20.

(56) On page 116, line 23, between "product" and "may", insert ", other than natural hemp flower,".

(57) On page 118, lines 9 and 10, strike "retail license number and hemp testing laboratory", and substitute "hemp retailer's license number and hemp testing laboratory's license".

(58) On page 118, line 12, strike "less" and substitute "not more".

(59) On page 123, lines 4-6, strike "numbers of the manufacturer and hemp testing laboratory that performed the compliance testing for the product's batch" and substitute "number of the manufacturer and a QR code as required under Section 321.003 or 322.001, as applicable".

(60) On page 127, line 23, strike "Section 501.001(1), Election Code, is" and substitute "Sections 501.001(1) and (3), Election Code, are".

(61) On page 128, between lines 1 and 2, insert the following:

(3) "Premises" has the meaning assigned by Section 11.49 or 301.001, Alcoholic Beverage Code, as applicable.

(62) On page 137, line 16, strike "1.04" and substitute "301.001".

(63) On page 139, line 2, immediately following the period, insert "Section 2001.0045, Government Code, does not apply to a rule adopted under this Act."

(64) On page 140, line 3, between "3," and "45", insert "7, 11,".

(65) On page 140, line 9, between "305," and "321", insert "310,".

(66) Insert the following appropriately numbered SECTION:

SECTION _____. A person required to obtain a license under Subchapter B, C, D, E, or F, Chapter 310, Alcoholic Beverage Code, as added by this Act, is not required to obtain a license or otherwise comply with the requirements of this Act until January 1, 2027.

(67) Renumber SECTIONS of the bill and cross-references to those SECTIONS accordingly.

Floor Amendment No. 2

Amend **CSSB 3** (house committee report) by striking all below the enacting clause and substituting the following:

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

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

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

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

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

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

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

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

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

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

- (1) is not ineligible to hold the license under Section 443.102;
- (2) has not violated this chapter or a rule adopted under this chapter;
- (3) submits to the department any license renewal fee; and
- (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 (e), 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 state.

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

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

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

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

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

(c) The department ~~[and the Department of Public Safety]~~ 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 product to be registered with the department; and

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

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

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

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

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

(1) a QR code that links:

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

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

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

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

(1) contains any artificial or synthetic cannabinoids; or

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

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

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

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

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

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

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

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

- (1) the product contains harmful ingredients;
- (2) the product is not produced in compliance with 7 U.S.C. Chapter 38, Subchapter VII; [or]
- (3) the product contains any amount of a cannabinoid other than cannabidiol or cannabigerol; or
- (4) the product's packaging or advertising indicates that the product is for medical use ~~[has a delta 9 tetrahydrocannabinol concentration of more than 0.3 percent].~~

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

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

- (1) hemp-derived ~~[cannabinoids, including]~~ cannabidiol and cannabigerol~~;~~ are not considered controlled substances or adulterants;
- (2) products containing ~~[one or more]~~ hemp-derived ~~[cannabinoids, such as]~~ cannabidiol or cannabigerol~~;~~ intended for ingestion are considered foods, not controlled substances or adulterated products; and
- (3) consumable hemp products must be packaged and labeled in the manner provided by Section 443.205~~;~~ and
- ~~[(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, resealable in a manner that allows the child-resistant mechanism to remain intact [the delta 9 tetrahydrocannabinol concentration of the product or each hemp-derived ingredient of the product is not more than 0.3 percent].

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

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

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

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

(2) is in packaging or a container that:

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

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

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

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

(E) includes an image of a celebrity; or

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

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

(1) uses comically exaggerated features and attributes;

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

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

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

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

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

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

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

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

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 degree.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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);

(2) Section 443.201; and

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

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

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

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

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

Floor Amendment No. 3

Amend Amendment No. 2 by Oliverson to **CSSB 3** by striking page 1, lines 11 through 14, and substituting the following:

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;
- (2) a hospital licensed under Chapter 241; or
- (3) an institution of higher education or private or independent institution of higher education, as defined by Section 61.003, Education Code.

Floor Amendment No. 4

Amend Amendment No. 2 by Oliverson to **CSSB 3** by striking page 12, line 27, through page 13, line 4, and substituting the following:

Sec. 443.252. OFFENSE: POSSESSION OF CERTAIN CONSUMABLE HEMP PRODUCTS. (a) In this section, "child" has the meaning assigned by Section 51.02, Family Code.

(b) A person commits an offense if the person knowingly or intentionally possesses a consumable hemp product that contains any amount of a cannabinoid other than cannabidiol or cannabigerol.

(c) It is a defense to prosecution under this section that the actor:

- (1) requested emergency medical assistance in response to the person's own possible overdose or the possible overdose of another person; and
- (2) if the person requested emergency medical assistance for the possible overdose of another person:

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

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

(d) Except as provided by Subsection (e), an offense under this section is a Class A misdemeanor.

(e) An offense under this section committed by a minor is a Class C misdemeanor, except that if it is shown on the trial of the offense that at the time of the offense the actor is a minor who is not a child and the actor has been previously convicted of an offense under this section two or more times, the offense is a misdemeanor punishable by:

- (1) a fine of not less than \$250 and not more than \$2,000;
- (2) confinement in jail for a term not to exceed 180 days; or
- (3) both the fine and the confinement.

(f) The court shall order:

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

(A) perform community service for:

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

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

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

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

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

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

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

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

(h) A driver's license suspension under Subsection (f)(2) takes effect on the 11th day after the date the minor is convicted.

(i) A person who is not a child and who has been previously convicted of an offense under this section two or more times is not eligible to receive deferred disposition or deferred adjudication for an offense under this section.

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

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

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

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

Floor Amendment No. 1 on Third Reading

Amend **SB 3** on third reading in added Section 443.252, Health and Safety Code, as follows:

(1) Strike Subsections (a) and (d) of that section.

(2) Strike Subsections (e), (f), (h), and (i) of that section and substitute the following:

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

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

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

(3) both the fine and the confinement.

(f) The court shall order:

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

(A) perform community service for:

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

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

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

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

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

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

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

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

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

(3) Reletter the subsections of that section and cross-references to those subsections accordingly.

The amendments were read.

Senator Perry moved to concur in the House amendments to **SB 3**.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Bettencourt, Birdwell, Blanco, Campbell, Creighton, Flores, Gutierrez, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, King, Kolkhorst, Middleton, Miles, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, West.

Nays: Alvarado, Cook, Eckhardt, Johnson, Menéndez, Zaffirini.

SENATE RULE 5.14(a) SUSPENDED
(Intent Calendar)
(Motion In Writing)

Senator Zaffirini submitted the following Motion In Writing:

Mr. President:

I move suspension of Senate Rule 5.14, the Intent Calendar Rule, in order to move the Intent Calendar deadline to 9 p.m. today. I further move that the rule be suspended to allow the Secretary of the Senate to make the calendar available as soon as practicable.

ZAFFIRINI

The Motion In Writing was read and prevailed without objection.

HOUSE BILL 1732 ON SECOND READING

Senator Zaffirini moved to suspend the regular order of business to take up for consideration **HB 1732** at this time on its second reading:

HB 1732, Relating to the regulation of massage therapy.

The motion prevailed.

Senator Hagenbuch asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hagenbuch.

HOUSE BILL 1732 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1732** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Hagenbuch.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 1586 ON SECOND READING

Senator Kolkhorst moved to suspend the regular order of business to take up for consideration **HB 1586** at this time on its second reading:

HB 1586, Relating to an exemption from required immunizations for school enrollment.

The motion prevailed by the following vote: Yeas 23, Nays 8.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, Johnson, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Zaffirini.

Nays: Alvarado, Blanco, Cook, Eckhardt, Gutierrez, Menéndez, Miles, West.

The bill was read second time and was passed to third reading by the following vote: Yeas 23, Nays 8. (Same as previous roll call)

HOUSE BILL 1586 ON THIRD READING

Senator Kolkhorst moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1586** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, Johnson, King, Kolkhorst, Middleton, Miles, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, West, Zaffirini.

Nays: Alvarado, Blanco, Cook, Eckhardt, Gutierrez, Menéndez.

The bill was read third time and was passed by the following vote: Yeas 23, Nays 8.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, Johnson, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Zaffirini.

Nays: Alvarado, Blanco, Cook, Eckhardt, Gutierrez, Menéndez, Miles, West.

STATEMENT REGARDING HOUSE BILL 1586

Senator Cook submitted the following statement regarding **HB 1586**:

School vaccinations aren't new. They are a cornerstone of American excellence, dating back to 1855 when Massachusetts first required smallpox vaccination for school attendance. The Supreme Court upheld these requirements in *Jacobson vs. Massachusetts* in 1905, ruling that individual liberty does not include the right to harm others.

Schools serve as critical intervention points for disease prevention because they represent the perfect intersection of public health risk and practical implementation. When children gather in classrooms, sharing air, desks, and playground equipment for hours every day, they create ideal conditions for disease transmission. A single unvaccinated child with measles can infect 90% of susceptible individuals in close contact. By requiring vaccines at school entry, we protect not just individual students but entire communities, as children are often the primary vectors bringing diseases home to vulnerable family members.

These requirements work. Before the measles vaccine in 1963, more than 3 million Americans contracted measles every single year. By 2000, measles was eradicated. We as a country, committed to the health and safety of every child, saved countless lives and prevented permanent disabilities like deafness and brain damage. But today, Texas faces its worst measles outbreak in decades. The science is undeniable. Vaccines are among the safest medical interventions available. Meanwhile, measles kills 1-2 per 1,000 infected children and causes serious complications in many more.

Texas law already provides exemptions for medical contraindications and reasons of conscience. Parents who object can obtain forms through an intentional, deliberate process that ensures informed consent and thoughtful decision-making. Making these forms instantly downloadable removes this crucial opportunity for consent and reflection. HB 1586 does not expand freedom. It prioritizes convenience rather than conviction.

When exemption rates rise, herd immunity falls, and those who can't be vaccinated—infants, children with cancer, those with genuine medical contraindications—lose their shield of protection. They lose their right to a safe classroom.

COOK

HOUSE BILL 3120 ON SECOND READING

On motion of Senator Huffman and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3120** at this time on its second reading:

HB 3120, Relating to certain duties of the owner or operator of a residential child detention facility.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3120 ON THIRD READING

Senator Huffman moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3120** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1545 ON SECOND READING**

On motion of Senator Parker and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 1545** at this time on its second reading:

CSHB 1545, Relating to the sunset review process and certain governmental entities subject to that process.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 1545 ON THIRD READING**

Senator Parker moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 1545** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2067 ON SECOND READING**

On motion of Senator Middleton and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 2067** at this time on its second reading:

CSHB 2067, Relating to declination, cancellation, or nonrenewal of insurance policies.

The bill was read second time.

Senator Middleton offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 2067** (senate committee report) in SECTION 3 of the bill, immediately after added Section 551.006(b), Insurance Code (between page 1, line 60, and page 2, line 1), by inserting the following:

(c) The department shall protect to the extent possible the trade secrets, business practices, and identity of an insurer who provides a written report posted under Subsection (b).

The amendment to **CSHB 2067** was read and was adopted without objection.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

CSHB 2067 as amended was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 2067 ON THIRD READING**

Senator Middleton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 2067** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 18 ON SECOND READING**

Senator Perry moved to suspend the regular order of business to take up for consideration **CSHB 18** at this time on its second reading:

CSHB 18, Relating to the establishment and administration of certain programs and services providing health care services to rural counties.

The motion prevailed by the following vote: Yeas 26, Nays 5.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Flores, Gutierrez, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, Johnson, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, West, Zaffirini.

Nays: Cook, Creighton, Eckhardt, Menéndez, Miles.

The bill was read second time.

Senator Menéndez offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 18** (senate committee report) in SECTION 12 of the bill by striking added Section 113.0182(c), Health and Safety Code (page 7, lines 54 through 58).

The amendment to **CSHB 18** was read and failed of adoption by the following vote: Yeas 9, Nays 22.

Yeas: Alvarado, Blanco, Cook, Eckhardt, Gutierrez, Menéndez, Miles, West, Zaffirini.

Nays: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, Johnson, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks.

CSHB 18 was passed to third reading by the following vote: Yeas 26, Nays 5.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Flores, Gutierrez, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, Johnson, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, West, Zaffirini.

Nays: Cook, Creighton, Eckhardt, Menéndez, Miles.

COMMITTEE SUBSTITUTE HOUSE BILL 18 ON THIRD READING

Senator Perry moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 18** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 26, Nays 5.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Flores, Gutierrez, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, Johnson, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, West, Zaffirini.

Nays: Cook, Creighton, Eckhardt, Menéndez, Miles.

The bill was read third time and was passed by the following vote: Yeas 26, Nays 5. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 3071 ON SECOND READING

Senator Hancock moved to suspend the regular order of business to take up for consideration **CSHB 3071** at this time on its second reading:

CSHB 3071, Relating to cancellation of certain solid waste disposal permits issued by the Texas Commission on Environmental Quality.

The motion prevailed.

Senator Hagenbuch asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Hagenbuch.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3071 ON THIRD READING**

Senator Hancock moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3071** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Hagenbuch.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

**COMMITTEE SUBSTITUTE
HOUSE BILL 3824 ON SECOND READING**

On motion of Senator Schwertner and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 3824** at this time on its second reading:

CSHB 3824, Relating to fire safety standards and emergency operations plans for the operation of battery energy storage facilities; providing administrative penalties.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3824 ON THIRD READING**

Senator Schwertner moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3824** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

(Senator Flores in Chair)

HOUSE BILL 3801 ON SECOND READING

Senator Cook moved to suspend the regular order of business to take up for consideration **HB 3801** at this time on its second reading:

HB 3801, Relating to the establishment of the Health Professions Workforce Coordinating Council and a workgroup on nursing career pathways and the abolition of the statewide health coordinating council and the nursing advisory committee of that council.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Eckhardt, Flores, Gutierrez, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Johnson, King, Kolkhorst, Menéndez, Miles, Nichols, Parker, Paxton, Perry, West, Zaffirini.

Nays: Creighton, Hagenbuch, Hughes, Middleton, Schwertner, Sparks.

The bill was read second time and was passed to third reading by the following vote: Yeas 25, Nays 6. (Same as previous roll call)

HOUSE BILL 3801 ON THIRD READING

Senator Cook moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3801** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Eckhardt, Flores, Gutierrez, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Johnson, King, Kolkhorst, Menéndez, Miles, Nichols, Parker, Paxton, Perry, West, Zaffirini.

Nays: Creighton, Hagenbuch, Hughes, Middleton, Schwertner, Sparks.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 6. (Same as previous roll call)

HOUSE BILL 1481 ON SECOND READING

On motion of Senator Creighton and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1481** at this time on its second reading:

HB 1481, Relating to school district and open-enrollment charter school policies regarding student use of personal communication devices.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 1481 ON THIRD READING

Senator Creighton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1481** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE HOUSE BILL 35 ON SECOND READING

On motion of Senator West and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 35** at this time on its second reading:

CSHB 35, Relating to a peer support network for first responders.

The bill was read second time.

Senator West offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 35** (senate committee report) in SECTION 1 of the bill as follows:

(1) In added Section 418.351(2), Government Code (page 1, line 30), between "volunteer of" and "the", insert "a state agency or".

(2) In added Section 418.354, Government Code (page 2, between lines 11 and 12), insert the following appropriately numbered subdivision and renumber subsequent subdivisions of that section accordingly:

() the number of critical incident events responded to by the network;

The amendment to **CSHB 35** was read and was adopted without objection.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

CSHB 35 as amended was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 35 ON THIRD READING**

Senator West moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 35** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 4230 ON SECOND READING

Senator Campbell moved to suspend the regular order of business to take up for consideration **HB 4230** at this time on its second reading:

HB 4230, Relating to the establishment of a hike and bike trail to be known as the Bicentennial Trail.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Creighton, Eckhardt, Flores, Gutierrez, Hagenbuch, Hall, A. Hinojosa, J. Hinojosa, Huffman, Johnson, King, Kolkhorst, Menéndez, Miles, Nichols, Paxton, Perry, Schwertner, Sparks, West, Zaffirini.

Nays: Hancock, Hughes, Middleton, Parker.

The bill was read second time and was passed to third reading by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

HOUSE BILL 4230 ON THIRD READING

Senator Campbell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 4230** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Creighton, Eckhardt, Flores, Gutierrez, Hagenbuch, Hall, A. Hinojosa, J. Hinojosa, Huffman, Johnson, King, Kolkhorst, Menéndez, Miles, Nichols, Paxton, Perry, Schwertner, Sparks, West, Zaffirini.

Nays: Hancock, Hughes, Middleton, Parker.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

HOUSE BILL 1916 ON SECOND READING

On motion of Senator Zaffirini and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1916** at this time on its second reading:

HB 1916, Relating to the jurisdiction of a court in a suit to divide certain property not divided or awarded on the dissolution of a marriage.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 1916 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1916** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE JOINT RESOLUTION 133 ON SECOND READING

On motion of Senator Hughes and by unanimous consent, the regular order of business was suspended to take up for consideration **HJR 133** at this time on its second reading:

HJR 133, Proposing a constitutional amendment authorizing the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the residence homestead of the surviving spouse of a veteran who died as a result of a condition or disease that is presumed under federal law to have been service-connected.

The resolution was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE JOINT RESOLUTION 133 ON THIRD READING

Senator Hughes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HJR 133** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The resolution was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2508 ON SECOND READING

On motion of Senator Hughes and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2508** at this time on its second reading:

HB 2508, Relating to an exemption from ad valorem taxation of the residence homestead of the surviving spouse of a veteran who died as a result of a qualifying condition or disease.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2508 ON THIRD READING

Senator Hughes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2508** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

GUEST PRESENTED

Senator Hughes was recognized and introduced to the Senate Liesl Manone.

The Senate welcomed its guest.

HOUSE BILL 4044 ON SECOND READING

Senator Creighton moved to suspend the regular order of business to take up for consideration **HB 4044** at this time on its second reading:

HB 4044, Relating to certain expenditures by public institutions of higher education and university systems that are eligible for certain tax credits.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Creighton, Eckhardt, Flores, Gutierrez, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Johnson, King, Menéndez, Miles, Nichols, Parker, Paxton, Perry, Schwertner, West, Zaffirini.

Nays: Hagenbuch, Hall, Hughes, Kolkhorst, Middleton, Sparks.

The bill was read second time and was passed to third reading by the following vote: Yeas 25, Nays 6. (Same as previous roll call)

HOUSE BILL 4044 ON THIRD READING

Senator Creighton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 4044** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 25, Nays 6.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Creighton, Eckhardt, Flores, Gutierrez, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Johnson, King, Menéndez, Miles, Nichols, Parker, Paxton, Perry, Schwertner, West, Zaffirini.

Nays: Hagenbuch, Hall, Hughes, Kolkhorst, Middleton, Sparks.

The bill was read third time and was passed by the following vote: Yeas 25, Nays 6. (Same as previous roll call)

HOUSE BILL 4377 ON SECOND READING

On motion of Senator Hall and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 4377** at this time on its second reading:

HB 4377, Relating to the retention of certain genetic material and genetic information by the Department of Family and Protective Services.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 4377 ON THIRD READING

Senator Hall moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 4377** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 413 ON SECOND READING

Senator Huffman moved to suspend the regular order of business to take up for consideration **HB 413** at this time on its second reading:

HB 413, Relating to the release of certain defendants detained in jail pending trial.

The motion prevailed.

Senator Middleton asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Middleton.

HOUSE BILL 413 ON THIRD READING

Senator Huffman moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 413** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Middleton.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

(President in Chair)

HOUSE BILL 3732 ON SECOND READING

On motion of Senator Alvarado and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3732** at this time on its second reading:

HB 3732, Relating to compliance by a fire department with certain minimum standards adopted by the Texas Commission on Fire Protection.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3732 ON THIRD READING

Senator Alvarado moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3732** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

COMMITTEE SUBSTITUTE**HOUSE BILL 5331 ON SECOND READING**

On motion of Senator King and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 5331** at this time on its second reading:

CSHB 5331, Relating to the enforceability of certain state agency and local government contract language regarding required security incident notifications.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

COMMITTEE SUBSTITUTE**HOUSE BILL 5331 ON THIRD READING**

Senator King moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 5331** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

RECESS

On motion of Senator Zaffirini, the Senate at 9:06 p.m. recessed until 9:25 p.m. today.

AFTER RECESS

The Senate met at 9:45 p.m. and was called to order by Senator Flores.

HOUSE CONCURRENT RESOLUTION 127 ON SECOND READING

On motion of Senator Parker and by unanimous consent, the regular order of business was suspended to take up for consideration **HCR 127** at this time on its second reading:

HCR 127, Expressing support for the strengthening of our partnership with Taiwan.

The resolution was read second time and was adopted by the following vote: Yeas 31, Nays 0.

(Senator Birdwell in Chair)

HOUSE BILL 1422 ON SECOND READING

On motion of Senator Huffman and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 1422** at this time on its second reading:

HB 1422, Relating to the rights of victims of sexual assault and other sex offenses, the offense of continuous sexual abuse, and the prosecution, punishment, and collateral consequences of certain sex offenses; creating a criminal offense; increasing criminal penalties; changing the eligibility for community supervision, mandatory supervision, and parole for persons convicted of certain sex offenses.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 1422 ON THIRD READING

Senator Huffman moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1422** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2530 ON SECOND READING

Senator Zaffirini moved to suspend the regular order of business to take up for consideration **HB 2530** at this time on its second reading:

HB 2530, Relating to special appointments in suits affecting the parent-child relationship.

The motion prevailed.

Senator Creighton asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Creighton.

HOUSE BILL 2530 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2530** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Creighton.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 4129 ON SECOND READING

On motion of Senator Paxton and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 4129** at this time on its second reading:

HB 4129, Relating to the contract requirements for a contract between a single source continuum contractor and the Department of Family and Protective Services.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 4129 ON THIRD READING

Senator Paxton moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 4129** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 5149 ON SECOND READING

On motion of Senator Hall and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 5149** at this time on its second reading:

HB 5149, Relating to restricting the collection and use of DNA samples from children in the managing conservatorship of the Department of Family and Protective Services.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 5149 ON THIRD READING

Senator Hall moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 5149** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

(President in Chair)

HOUSE BILL 2026 ON SECOND READING

On motion of Senator Hagenbuch and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2026** at this time on its second reading:

HB 2026, Relating to the designation of a portion of State Highway 25 in Archer County as the U.S. Army Gary C. and U.S.M.C. Gary S. Johnston Memorial Highway.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2026 ON THIRD READING

Senator Hagenbuch moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2026** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 2293 ON SECOND READING

On motion of Senator Huffman and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 2293** at this time on its second reading:

HB 2293, Relating to the election of the members of the board of directors of the Sweeny Hospital District.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 2293 ON THIRD READING

Senator Huffman moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 2293** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**SENATE RULES SUSPENDED
(Posting Rules)**

On motion of Senator Flores and by unanimous consent, Senate Rule 11.10(a), Senate Rule 11.13, and Senate Rule 11.18(a) were suspended in order that the Committee on Criminal Justice might meet at 10:15 p.m. today in Room 3E.4 and consider the following bills: **HB 2407**, **HB 3425**, **HB 2854**.

(Senator Blanco in Chair)

HOUSE BILL 3234 ON SECOND READING

On motion of Senator Menéndez and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3234** at this time on its second reading:

HB 3234, Relating to the authority of a political subdivision to regulate construction and renovation of structures owned by certain counties.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3234 ON THIRD READING

Senator Menéndez moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3234** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 5247 ON SECOND READING**

On motion of Senator Schwertner and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 5247** at this time on its second reading:

CSHB 5247, Relating to an alternative capital recovery process for certain utilities.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 5247 ON THIRD READING**

Senator Schwertner moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 5247** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 5436 ON SECOND READING

On motion of Senator West and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 5436** at this time on its second reading:

HB 5436, Relating to an exception to the titling requirement for certain motor vehicles; creating a criminal offense; providing for a fee.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 5436 ON THIRD READING

Senator West moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 5436** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 5688 ON SECOND READING

Senator A. Hinojosa moved to suspend the regular order of business to take up for consideration **HB 5688** at this time on its second reading:

HB 5688, Relating to the creation of the San Benito Municipal Utility District No. 1; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Creighton, Eckhardt, Flores, Gutierrez, Hagenbuch, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Johnson, King, Kolkhorst, Menéndez, Miles, Nichols, Parker, Paxton, Perry, Schwertner, West, Zaffirini.

Nays: Hall, Hughes, Middleton, Sparks.

The bill was read second time and was passed to third reading by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

HOUSE BILL 5688 ON THIRD READING

Senator A. Hinojosa moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 5688** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Cook, Creighton, Eckhardt, Flores, Gutierrez, Hagenbuch, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Johnson, King, Kolkhorst, Menéndez, Miles, Nichols, Parker, Paxton, Perry, Schwertner, West, Zaffirini.

Nays: Hall, Hughes, Middleton, Sparks.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

HOUSE BILL 3180 ON SECOND READING

On motion of Senator Johnson and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3180** at this time on its second reading:

HB 3180, Relating to the contents of a request for disclosure in a civil action brought under the Family Code.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3180 ON THIRD READING

Senator Johnson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3180** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3250 ON SECOND READING**

Senator Menéndez moved to suspend the regular order of business to take up for consideration **CSHB 3250** at this time on its second reading:

CSHB 3250, Relating to the regulation of real estate appraisers and appraisal management companies.

The motion prevailed.

Senator Middleton asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Middleton.

COMMITTEE SUBSTITUTE HOUSE BILL 3250 ON THIRD READING

Senator Menéndez moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3250** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Middleton.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 4668 ON SECOND READING

On motion of Senator Schwertner and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 4668** at this time on its second reading:

HB 4668, Relating to the authority of the Public Utility Commission of Texas to retain assistance for regional proceedings affecting certain electric utilities and consumers.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 4668 ON THIRD READING

Senator Schwertner moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 4668** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 1851 ON SECOND READING

Senator Hughes moved to suspend the regular order of business to take up for consideration **HB 1851** at this time on its second reading:

HB 1851, Relating to the disposition of certain surplus motor vehicles and other law enforcement equipment by the Texas Facilities Commission to certain school districts.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Creighton, Eckhardt, Flores, Gutierrez, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, King, Kolkhorst, Menéndez, Miles, Nichols, Parker, Paxton, Perry, Schwertner, West, Zaffirini.

Nays: Cook, Johnson, Middleton, Sparks.

The bill was read second time and was passed to third reading by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

HOUSE BILL 1851 ON THIRD READING

Senator Hughes moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 1851** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 27, Nays 4.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Creighton, Eckhardt, Flores, Gutierrez, Hagenbuch, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, King, Kolkhorst, Menéndez, Miles, Nichols, Parker, Paxton, Perry, Schwertner, West, Zaffirini.

Nays: Cook, Johnson, Middleton, Sparks.

The bill was read third time and was passed by the following vote: Yeas 27, Nays 4. (Same as previous roll call)

HOUSE BILL 2715 ON THIRD READING

Senator Hughes moved to suspend the regular order of business to take up for consideration **HB 2715** at this time on its third reading and final passage:

HB 2715, Relating to the removal from office of certain officers of political subdivisions.

The motion prevailed by the following vote: Yeas 21, Nays 10.

Yeas: Bettencourt, Birdwell, Blanco, Campbell, Creighton, Flores, Hagenbuch, Hall, Hancock, A. Hinojosa, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks.

Nays: Alvarado, Cook, Eckhardt, Gutierrez, J. Hinojosa, Johnson, Menéndez, Miles, West, Zaffirini.

The bill was read third time and was passed by the following vote: Yeas 21, Nays 10. (Same as previous roll call)

(President in Chair)

HOUSE BILL 103 ON SECOND READING

Senator Bettencourt moved to suspend the regular order of business to take up for consideration **HB 103** at this time on its second reading:

HB 103, Relating to the creation and maintenance of a database of taxing unit bond, tax, and bond-related project information; providing a civil penalty.

The motion prevailed.

Senator Cook asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Bettencourt offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 103** (senate committee printing) in SECTION 1 of the bill, in added Section 403.705, Government Code (page 2), as follows:

(1) On line 68, between "RULEMAKING." and "The", insert "(a)".

(2) Immediately following line 69, add the following:

(b) The comptroller shall consult and coordinate with the Bond Review Board and the Texas Education Agency to adopt rules to implement a single data source entry method for a taxing unit to provide to the comptroller the information required by this subchapter.

The amendment to **HB 103** was read and was adopted without objection.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

HB 103 as amended was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Cook.

HOUSE BILL 103 ON THIRD READING

Senator Bettencourt moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 103** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Cook.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 3833 ON SECOND READING

On motion of Senator Johnson and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 3833** at this time on its second reading:

HB 3833, Relating to the regulation of money services businesses.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 3833 ON THIRD READING

Senator Johnson moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3833** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

**MOTION TO PLACE
HOUSE BILL 126 ON SECOND READING**

Senator Creighton moved to suspend the regular order of business to take up for consideration **HB 126** at this time on its second reading:

HB 126, Relating to the compensation and professional representation of prospective student athletes and student athletes participating in intercollegiate athletic programs at certain institutions of higher education.

Senator Creighton withdrew further consideration of **HB 126**.

(Senator Flores in Chair)

**COMMITTEE SUBSTITUTE
HOUSE BILL 3512 ON SECOND READING**

On motion of Senator Blanco and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 3512** at this time on its second reading:

CSHB 3512, Relating to artificial intelligence training programs for certain employees and officials of state agencies and local governments.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

**COMMITTEE SUBSTITUTE
HOUSE BILL 3512 ON THIRD READING**

Senator Blanco moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 3512** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 5154 ON SECOND READING

On motion of Senator Kolkhorst and by unanimous consent, the regular order of business was suspended to take up for consideration **HB 5154** at this time on its second reading:

HB 5154, Relating to the Joint Admission Medical Program Council.

The bill was read second time.

Senator Kolkhorst offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 5154** (senate committee report) as follows:

(1) In SECTION 1 of the bill, in amended Section 51.822(1), Education Code (page 1, lines 27 and 28), strike "services, including mentoring, academic support, and counseling and relief," and substitute "mentoring and academic services".

(2) In SECTION 3 of the bill, strike added Section 51.8235(1), Education Code (page 2, lines 8 through 10), and substitute the following:

(1) be:

(A) posted in a place readily accessible and available to the general public, including the program's Internet website, at all times for at least 72 hours before the scheduled time of the meeting; and

(B) distributed by e-mail, electronic media, or other electronic notification sent directly to each participating student at least 72 hours before the scheduled time of the meeting; and

(3) In SECTION 4 of the bill, in added Section 51.824(a)(10)(B), Education Code (page 2, line 59), strike "and".

(4) In SECTION 4 of the bill, immediately following added Section 51.824(a)(10)(C), Education Code (page 2, between lines 61 and 62), insert the following and renumber subsequent subdivisions of amended Section 51.824(a), Education Code, accordingly:

(D) prioritizing increasing the amount of graduate medical scholarships over increasing the amount of other scholarships;

(11) ensure that participating students are aware of available counseling and relief services; and

(5) In SECTION 5 of the bill, in amended Section 51.834(b)(2), Education Code (page 3, line 3), between "money" and "received", insert "spent and".

The amendment to **HB 5154** was read and was adopted without objection.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

HB 5154 as amended was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading.

HOUSE BILL 5154 ON THIRD READING

Senator Kolkhorst moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 5154** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 31, Nays 0.

The bill was read third time and was passed by the following vote: Yeas 31, Nays 0.

HOUSE BILL 3062 ON SECOND READING

Senator Zaffirini moved to suspend the regular order of business to take up for consideration **HB 3062** at this time on its second reading:

HB 3062, Relating to fentanyl prevention and drug poisoning awareness education for students enrolled in public institutions of higher education.

The motion prevailed.

Senator Sparks asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time and was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Sparks.

HOUSE BILL 3062 ON THIRD READING

Senator Zaffirini moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 3062** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Sparks.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 4903 ON SECOND READING

Senator Birdwell moved to suspend the regular order of business to take up for consideration **HB 4903** at this time on its second reading:

HB 4903, Relating to the establishment of the Quad-Agency Child Care Initiative and the Quad-Agency Child Care Initiative Commission.

The motion prevailed.

Senator Schwertner asked to be recorded as voting "Nay" on suspension of the regular order of business.

The bill was read second time.

Senator Birdwell offered the following amendment to the bill:

Floor Amendment No. 1

Amend **HB 4903** (senate committee report) as follows:

(1) In SECTION 1 of the bill, in added Section 74.002(a), Human Resources Code (page 1, line 42), between "and" and "streamline" insert "recommend actions to".

(2) In SECTION 1 of the bill, in added Section 74.003(a)(1), Human Resources Code (page 1, line 48), between "Commission" and the underlined semicolon, insert "or the chair's designee".

(3) In SECTION 1 of the bill, in added Section 74.003(a)(2), Human Resources Code (page 1, line 50), between "Commission" and the underlined semicolon, insert "or the executive commissioner's designee".

(4) In SECTION 1 of the bill, in added Section 74.003(a)(3), Human Resources Code (page 1, line 52), between "Services" and the underlined semicolon, insert "or the commissioner's designee".

(5) In SECTION 1 of the bill, in added Section 74.003(a)(4), Human Resources Code (page 1, line 53), between "education" and the underlined period, insert "or the commissioner's designee".

(6) In SECTION 1 of the bill, in added Section 74.003(b), Human Resources Code (page 1, line 54), between "Commission" and "shall", insert "or the chair's designee".

(7) In SECTION 1 of the bill, in added Section 74.005, Human Resources Code (page 2, line 9), between "and" and "streamline" insert "recommend actions to".

(8) In SECTION 1 of the bill, immediately following added Section 74.006, Human Resources Code (page 2, between lines 28 and 29), insert the following:

(d) Not later than the 30th day after the date a meeting is held under this section, the Quad-Agency chair shall:

(1) prepare and submit to the office of the governor a report that includes a list of existing or proposed regulations, rules, policies, or other participating agency actions under review by the commission; and

(2) make the report prepared under Subdivision (1) available to the public on the Texas Workforce Commission's Internet website until the second anniversary of the date the meeting is held under this section.

Sec. 74.007. SUBJECT MATTER EXPERT INPUT. (a) In performing a duty under Section 74.005, the Quad-Agency chair may request input from a subject matter expert, including a child-care provider. Input requested under this section may be:

(1) submitted in writing; or

(2) provided in person at a meeting held under Section 74.006.

(b) Except as provided by Subsection (c), the commission shall make all written submissions by a subject matter expert available to the public on the Texas Workforce Commission's Internet website until the second anniversary of the date the submission is made.

(c) A subject matter expert who makes a written submission may request the written submission be kept confidential. If a subject matter expert requests that the written submission be kept confidential, the commission may not make the written submission available to the public on the Texas Workforce Commission's Internet website.

(9) In SECTION 1 of the bill, in the heading to added Section 74.007, Human Resources Code (page 2, line 29), strike "74.007" and substitute "74.008".

(10) In SECTION 1 of the bill, in the heading to added Section 74.008, Human Resources Code (page 2, line 65), strike "74.008" and substitute "74.009".

(11) In SECTION 1 of the bill, in added Section 74.008(c), Human Resources Code (page 3, line 5), strike "submitted under this section" and substitute "granted under Subsection (b)".

(12) In SECTION 1 of the bill, in added Section 74.008(c), Human Resources Code (page 3, line 7), strike "commission receives" and substitute "Quad-Agency chair grants".

(13) In SECTION 1 of the bill, strike added Section 74.009, Human Resources Code (page 3, lines 8 through 20).

(14) In SECTION 1 of the bill, strike Section 74.010(a), Human Resources Code (page 3, lines 21 through 28), and substitute the following:

(a) For each review conducted under this chapter, the commission shall accept public comment through the Texas Workforce Commission's Internet website from the date notice regarding the review is provided under Section 74.008(c)(1) until the end of the 30th day after that date.

(15) In SECTION 1 of the bill, strike added Sections 74.011(b), (c), and (d), Human Resources Code (page 3, lines 41 through 66), and substitute the following:

(b) If the commission determines that the existing or proposed regulation, rule, policy, or other participating agency action reviewed under this chapter is consistent with the objectives identified in Section 74.005(3), no further action will be taken. If the commission determines that the existing or proposed regulation, rule, policy, or other participating agency action reviewed under this chapter is inconsistent with the objectives identified in Section 74.005(3), or if the commission cannot reach a determination, the commission shall submit the commission's findings to the Texas Regulatory Efficiency Office.

(c) If the commission submits the commission's findings to the Texas Regulatory Efficiency Office, the Texas Regulatory Efficiency Office shall conduct a review of the commission's findings and render a final determination as to whether the existing or proposed regulation, rule, policy, or other participating agency action reviewed under this chapter is consistent with the objectives identified in Section 74.005(3).

(d) If the Texas Regulatory Efficiency Office determines that the existing or proposed regulation, rule, policy, or other participating agency action reviewed under this chapter:

(1) is consistent with the objectives identified in Section 74.005(3), no further action will be taken; or

(2) is inconsistent with the objectives identified in Section 74.005(3), the participating agency whose existing or proposed regulation, rule, policy, or other agency action was the subject of the review shall:

(A) cease any enforcement activity related to the regulation, rule, policy, or other agency action as soon as practicable;

(B) withdraw the regulation, rule, policy, or other agency action as soon as practicable; and

(C) if the participating agency considers appropriate, replace the regulation, rule, policy, or other agency action with a less restrictive regulation, rule, policy, or other agency action.

(e) The commission and the Texas Regulatory Efficiency Office may provide suggestions to a participating agency on less restrictive regulations, rules, policies, or other agency actions the agency may adopt to replace a regulation, rule, policy, or other agency action that the commission considers inconsistent with the objectives identified in Section 74.005(3).

(f) This section may not be construed to:

(1) authorize the commission or the Texas Regulatory Efficiency Office to require a participating agency to adopt a less restrictive regulation, rule, policy, or other agency action suggested by the commission under Subsection (e); or

(2) prohibit a participating agency from withdrawing or replacing an existing regulation, rule, policy, or other participating agency action under law or agency procedure.

(16) In SECTION 2 of the bill (page 3, line 67), strike "March 31, 2026" and substitute "December 31, 2025".

The amendment to **HB 4903** was read and was adopted without objection.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

HB 4903 as amended was passed to third reading without objection.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Schwertner.

HOUSE BILL 4903 ON THIRD READING

Senator Birdwell moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **HB 4903** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

Nays: Schwertner.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

HOUSE BILL 3627 ON THIRD READING

Senator Sparks moved to suspend the regular order of business to take up for consideration **HB 3627** at this time on its third reading and final passage:

HB 3627, Relating to allowing the chair of the State Board of Education to employ personnel to assist in performing the board's duties.

The motion prevailed by the following vote: Yeas 24, Nays 7.

Yeas: Alvarado, Bettencourt, Birdwell, Blanco, Campbell, Creighton, Flores, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, Johnson, King, Kolkhorst, Menéndez, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks, Zaffirini.

Nays: Cook, Eckhardt, Gutierrez, Hagenbuch, Hall, Miles, West.

The bill was read third time and was passed by the following vote: Yeas 24, Nays 7. (Same as previous roll call)

HOUSE BILL 2674 ON SECOND READING

Senator Hagenbuch moved to suspend the regular order of business to take up for consideration **HB 2674** at this time on its second reading:

HB 2674, Relating to prohibiting the regulation of home school programs.

The motion prevailed by the following vote: Yeas 20, Nays 11.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Hagenbuch, Hall, Hancock, A. Hinojosa, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks.

Nays: Alvarado, Blanco, Cook, Eckhardt, Gutierrez, J. Hinojosa, Johnson, Menéndez, Miles, West, Zaffirini.

The bill was read second time and was passed to third reading by the following vote: Yeas 20, Nays 11. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 3556 ON SECOND READING

Senator Middleton moved to suspend the regular order of business to take up for consideration **CSHB 3556** at this time on its second reading:

CSHB 3556, Relating to the construction of structures exceeding a certain height in certain counties containing national wildlife refuges and in adjacent counties; authorizing injunctive relief.

The motion prevailed by the following vote: Yeas 21, Nays 10.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Gutierrez, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks.

Nays: Alvarado, Blanco, Cook, Eckhardt, Hagenbuch, Johnson, Menéndez, Miles, West, Zaffirini.

The bill was read second time.

Senator Middleton offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 3556** (senate committee report) in SECTION 1 of the bill, in added Section 12.023, Parks and Wildlife Code (page 1, line 52, through page 2, line 14), by striking Subsections (f), (g), (h), and (i), substituting the following appropriate lettered subsection, and relettering subsequent subsections of that section accordingly:

() If the department does not agree to the alternative minimization measures received under Subsection (e), the department shall reach a final decision on the minimization measures the structure must utilize not later than the 45th day after the date the department received the alternative minimization measures. If the department requires compliance with minimization measures other than those agreed to by the person who requested review, the person is entitled to an administrative hearing.

The amendment to **CSHB 3556** was read and was adopted without objection.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

CSHB 3556 as amended was passed to third reading by the following vote: Yeas 21, Nays 10.

Yeas: Bettencourt, Birdwell, Campbell, Creighton, Flores, Gutierrez, Hall, Hancock, A. Hinojosa, J. Hinojosa, Huffman, Hughes, King, Kolkhorst, Middleton, Nichols, Parker, Paxton, Perry, Schwertner, Sparks.

Nays: Alvarado, Blanco, Cook, Eckhardt, Hagenbuch, Johnson, Menéndez, Miles, West, Zaffirini.

SENATE RULES SUSPENDED
(Posting Rules)

On motion of Senator Hancock and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on Veteran Affairs might meet upon adjournment today at Desk 9.

HOUSE BILLS ON FIRST READING

The following bills received from the House were read first time and referred to the committees indicated:

HB 636 to Committee on Local Government.

HB 5655 to Committee on Administration.

HB 5689 to Committee on Administration.

HB 5690 to Committee on Administration.

SENATE RULES SUSPENDED
(Posting Rules)

On motion of Senator Schwertner and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on Business and Commerce might meet at 9:30 a.m. tomorrow in Room E1.012.

SENATE RULES SUSPENDED
(Posting Rules)

On motion of Senator Bettencourt and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on Local Government might meet at 9:00 a.m. tomorrow and consider the following bills: **HB 3483**, **HB 2731**.

SENATE RULES SUSPENDED
(Posting Rules)

On motion of Senator Creighton and by unanimous consent, Senate Rule 11.10(a) and Senate Rule 11.18(a) were suspended in order that the Committee on Education K-16 might meet at 12:05 a.m. tomorrow in the Betty King Committee Room, 2E.20.

CONFERENCE COMMITTEE REPORT ON
SENATE BILL 1637

Senator King submitted the following Conference Committee Report:

Austin, Texas
May 23, 2025

Honorable Dan Patrick
President of the Senate

Honorable Dustin Burrows
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 1637** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

KING
FLORES
HAGENBUCH
J. HINOJOSA
HUFFMAN
On the part of the Senate

HEFNER
DORAZIO
LOUDERBACK
MCLAUGHLIN
On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to the prosecution of the offense of deadly conduct.

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

SECTION 1. Section 22.05, Penal Code, is amended by amending Subsection (c) and adding Subsection (f) to read as follows:

(c) Except as otherwise provided by this subsection, recklessness [Recklessness] and danger are presumed if the actor knowingly pointed a firearm at or in the direction of another whether or not the actor believed the firearm to be loaded. The presumption under this subsection does not apply to a peace officer engaged in the lawful discharge of the officer's official duties.

(f) Subsection (b)(1) does not apply to a peace officer engaged in the lawful discharge of the officer's official duties.

SECTION 2. The change in law made by this Act applies only to an offense committed on or after the effective date of this Act. An offense committed before the effective date of this Act is governed by the law in effect on the date the offense was committed, and the former law is continued in effect for that purpose. For purposes of this section, an offense was committed before the effective date of this Act if any element of the offense occurred before that date.

SECTION 3. This Act takes effect September 1, 2025.

The Conference Committee Report on **SB 1637** was filed with the Secretary of the Senate.

**CONFERENCE COMMITTEE REPORT ON
SENATE BILL 509**

Senator Bettencourt submitted the following Conference Committee Report:

Austin, Texas
May 23, 2025

Honorable Dan Patrick
President of the Senate

Honorable Dustin Burrows
Speaker of the House of Representatives

Sirs:

We, Your Conference Committee, appointed to adjust the differences between the Senate and the House of Representatives on **SB 509** have had the same under consideration, and beg to report it back with the recommendation that it do pass in the form and text hereto attached.

BETTENCOURT
BIRDWELL
HUGHES
PAXTON
ZAFFIRINI

On the part of the Senate

SCHOFIELD
ISAAC
SHAHEEN
SWANSON

On the part of the House

A BILL TO BE ENTITLED
AN ACT

relating to requiring notice to the attorney general in an action under the Election Code seeking a temporary restraining order.

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

SECTION 1. The heading to Subchapter E, Chapter 273, Election Code, is amended to read as follows:

SUBCHAPTER E. INJUNCTION OR RESTRAINING ORDER

SECTION 2. Subchapter E, Chapter 273, Election Code, is amended by adding Section 273.082 to read as follows:

Sec. 273.082. TEMPORARY RESTRAINING ORDER; NOTICE. (a) As soon as practicable before a hearing in an action under this code seeking a temporary restraining order, a court must electronically notify the attorney general of the hearing at the e-mail address designated under Subsection (e).

(b) Except as provided by Subsection (c), a court may not hold a hearing described by Subsection (a) sooner than one hour after the court provides notice to the attorney general under Subsection (a).

(c) The attorney general may, after receiving notice under Subsection (a), waive the requirement of Subsection (b).

(d) A court shall allow the attorney general to participate remotely in a hearing in an action under this code seeking a temporary restraining order, using any reasonably available method.

(e) The attorney general shall designate an e-mail address at which to receive a notice under this section.

(f) A temporary restraining order issued in violation of this section is void and unenforceable.

SECTION 3. This Act takes effect September 1, 2025.

The Conference Committee Report on **SB 509** was filed with the Secretary of the Senate on May 26, 2025.

CO-AUTHOR OF SENATE BILL 8

On motion of Senator Schwertner, Senator Hughes will be shown as Co-author of **SB 8**.

CO-AUTHOR OF SENATE BILL 12

On motion of Senator Creighton, Senator Campbell will be shown as Co-author of **SB 12**.

CO-AUTHOR OF SENATE BILL 33

On motion of Senator Campbell, Senator Hughes will be shown as Co-author of **SB 33**.

CO-AUTHOR OF SENATE BILL 34

On motion of Senator Sparks, Senator Hughes will be shown as Co-author of **SB 34**.

CO-AUTHOR OF SENATE BILL 1319

On motion of Senator Creighton, Senator Kolkhorst will be shown as Co-author of **SB 1319**.

CO-AUTHOR OF SENATE BILL 2603

On motion of Senator Blanco, Senator J. Hinojosa will be shown as Co-author of **SB 2603**.

CO-AUTHOR OF SENATE BILL 2607

On motion of Senator Blanco, Senator West will be shown as Co-author of **SB 2607**.

CO-AUTHOR OF SENATE BILL 2363

On motion of Senator Creighton, Senator Kolkhorst will be shown as Co-author of **SB 2363**.

CO-AUTHOR OF SENATE JOINT RESOLUTION 5

On motion of Senator Huffman, Senator Alvarado will be shown as Co-author of **SJR 5**.

CO-SPONSORS OF HOUSE BILL 18

On motion of Senator Perry, Senators Hagenbuch, Kolkhorst, and Sparks will be shown as Co-sponsors of **HB 18**.

CO-SPONSOR OF HOUSE BILL 20

On motion of Senator Schwertner, Senator A. Hinojosa will be shown as Co-sponsor of **HB 20**.

CO-SPONSORS OF HOUSE BILL 35

On motion of Senator West, Senators J. Hinojosa and Menéndez will be shown as Co-sponsors of **HB 35**.

CO-SPONSORS OF HOUSE BILL 103

On motion of Senator Bettencourt, Senators Creighton, A. Hinojosa, and Kolkhorst will be shown as Co-sponsors of **HB 103**.

CO-SPONSORS OF HOUSE BILL 120

On motion of Senator Schwertner, Senators Campbell, Hagenbuch, Hancock, and J. Hinojosa will be shown as Co-sponsors of **HB 120**.

CO-SPONSORS OF HOUSE BILL 163

On motion of Senator Blanco, Senators J. Hinojosa and Zaffirini will be shown as Co-sponsors of **HB 163**.

CO-SPONSOR OF HOUSE BILL 216

On motion of Senator Hughes, Senator Blanco will be shown as Co-sponsor of **HB 216**.

CO-SPONSORS OF HOUSE BILL 413

On motion of Senator Huffman, Senators Cook and West will be shown as Co-sponsors of **HB 413**.

CO-SPONSOR OF HOUSE BILL 851

On motion of Senator Bettencourt, Senator Kolkhorst will be shown as Co-sponsor of **HB 851**.

CO-SPONSOR OF HOUSE BILL 1105

On motion of Senator Eckhardt, Senator Parker will be shown as Co-sponsor of **HB 1105**.

CO-SPONSOR OF HOUSE BILL 1211

On motion of Senator Menéndez, Senator A. Hinojosa will be shown as Co-sponsor of **HB 1211**.

CO-SPONSOR OF HOUSE BILL 1422

On motion of Senator Huffman, Senator Middleton will be shown as Co-sponsor of **HB 1422**.

CO-SPONSORS OF HOUSE BILL 1481

On motion of Senator Creighton, Senators Hancock, Kolkhorst, Menéndez, and Sparks will be shown as Co-sponsors of **HB 1481**.

CO-SPONSOR OF HOUSE BILL 1586

On motion of Senator Kolkhorst, Senator Sparks will be shown as Co-sponsor of **HB 1586**.

CO-SPONSOR OF HOUSE BILL 1851

On motion of Senator Hughes, Senator J. Hinojosa will be shown as Co-sponsor of **HB 1851**.

CO-SPONSOR OF HOUSE BILL 2067

On motion of Senator Middleton, Senator J. Hinojosa will be shown as Co-sponsor of **HB 2067**.

CO-SPONSORS OF HOUSE BILL 2193

On motion of Senator Menéndez, Senators Blanco, A. Hinojosa, J. Hinojosa, and Miles will be shown as Co-sponsors of **HB 2193**.

CO-SPONSORS OF HOUSE BILL 2310

On motion of Senator Parker, Senators Hagenbuch, J. Hinojosa, and Menéndez will be shown as Co-sponsors of **HB 2310**.

CO-SPONSOR OF HOUSE BILL 2313

On motion of Senator Perry, Senator J. Hinojosa will be shown as Co-sponsor of **HB 2313**.

CO-SPONSORS OF HOUSE BILL 2508

On motion of Senator Hughes, Senators Alvarado, Blanco, Campbell, Eckhardt, Gutierrez, Hagenbuch, Hancock, A. Hinojosa, J. Hinojosa, Kolkhorst, Parker, Perry, Schwertner, and Sparks will be shown as Co-sponsors of **HB 2508**.

CO-SPONSOR OF HOUSE BILL 2674

On motion of Senator Hagenbuch, Senator Creighton will be shown as Co-sponsor of **HB 2674**.

CO-SPONSOR OF HOUSE BILL 2974

On motion of Senator King, Senator Eckhardt will be shown as Co-sponsor of **HB 2974**.

CO-SPONSORS OF HOUSE BILL 3000

On motion of Senator Perry, Senators Blanco, Kolkhorst, and Zaffirini will be shown as Co-sponsors of **HB 3000**.

CO-SPONSOR OF HOUSE BILL 3062

On motion of Senator Zaffirini, Senator J. Hinojosa will be shown as Co-sponsor of **HB 3062**.

CO-SPONSORS OF HOUSE BILL 3214

On motion of Senator Paxton, Senators Creighton and Kolkhorst will be shown as Co-sponsors of **HB 3214**.

CO-SPONSOR OF HOUSE BILL 3234

On motion of Senator Menéndez, Senator Eckhardt will be shown as Co-sponsor of **HB 3234**.

CO-SPONSOR OF HOUSE BILL 3372

On motion of Senator Middleton, Senator A. Hinojosa will be shown as Co-sponsor of **HB 3372**.

CO-SPONSOR OF HOUSE BILL 3463

On motion of Senator Alvarado, Senator Zaffirini will be shown as Co-sponsor of **HB 3463**.

CO-SPONSORS OF HOUSE BILL 3801

On motion of Senator Cook, Senators Alvarado and J. Hinojosa will be shown as Co-sponsors of **HB 3801**.

CO-SPONSOR OF HOUSE BILL 3923

On motion of Senator Parker, Senator Eckhardt will be shown as Co-sponsor of **HB 3923**.

CO-SPONSORS OF HOUSE BILL 4226

On motion of Senator Campbell, Senators Blanco, Cook, J. Hinojosa, and Zaffirini will be shown as Co-sponsors of **HB 4226**.

CO-SPONSOR OF HOUSE BILL 4230

On motion of Senator Campbell, Senator Eckhardt will be shown as Co-sponsor of **HB 4230**.

CO-SPONSORS OF HOUSE BILL 4535

On motion of Senator Hancock, Senators Creighton, Kolkhorst, and Sparks will be shown as Co-sponsors of **HB 4535**.

CO-SPONSORS OF HOUSE BILL 4623

On motion of Senator Paxton, Senators A. Hinojosa and Parker will be shown as Co-sponsors of **HB 4623**.

CO-SPONSOR OF HOUSE BILL 4903

On motion of Senator Birdwell, Senator Blanco will be shown as Co-sponsor of **HB 4903**.

CO-SPONSOR OF HOUSE BILL 5084

On motion of Senator Gutierrez, Senator A. Hinojosa will be shown as Co-sponsor of **HB 5084**.

CO-SPONSOR OF HOUSE BILL 5154

On motion of Senator Kolkhorst, Senator West will be shown as Co-sponsor of **HB 5154**.

CO-SPONSOR OF HOUSE CONCURRENT RESOLUTION 40

On motion of Senator Creighton, Senator A. Hinojosa will be shown as Co-sponsor of **HCR 40**.

CO-SPONSOR OF HOUSE JOINT RESOLUTION 7

On motion of Senator Perry, Senator Alvarado will be shown as Co-sponsor of **HJR 7**.

CO-SPONSORS OF HOUSE JOINT RESOLUTION 133

On motion of Senator Hughes, Senators Alvarado, Bettencourt, Blanco, Campbell, Eckhardt, Gutierrez, Hagenbuch, Hancock, A. Hinojosa, J. Hinojosa, Kolkhorst, Parker, Perry, Schwertner, and Sparks will be shown as Co-sponsors of **HJR 133**.

MOTION TO ADJOURN

On motion of Senator Zaffirini and by unanimous consent, the Senate at 11:44 p.m. agreed to adjourn, in memory of Arturo Eduardo Sanchez, pending the receipt of committee reports, until 10:00 a.m. tomorrow.

ADJOURNMENT

Pursuant to a previously adopted motion, the Senate at 9:59 a.m. Monday, May 26, 2025, adjourned, in memory of Arturo Eduardo Sanchez, until 10:00 a.m. today.

APPENDIX

COMMITTEE REPORTS

The following committee reports were received by the Secretary of the Senate in the order listed:

May 25, 2025

FINANCE — **CSHB 4488, CSHB 4264**

EDUCATION K-16 — **CSHB 4**

JURISPRUDENCE — **HB 4170**

STATE AFFAIRS — **CSHB 3909, CSHB 4081, HB 4145, HB 4157, HB 4281, HB 4285, HB 4463, HB 4749, HB 4995, CSHB 5081, HB 5115, CSHB 5138, CSHB 5624**

LOCAL GOVERNMENT — **CSHB 1449, CSHB 3711**

EDUCATION K-16 — **HB 2598, HB 3629, HB 4361, HB 824, HB 1868, HB 4848, CSHB 2243**

JURISPRUDENCE — **CSHB 40**

ECONOMIC DEVELOPMENT — **HB 117, CSHB 2313, HB 3686**

FINANCE — **CSHB 500**

ECONOMIC DEVELOPMENT — **CSHB 3793, HB 112**

FINANCE — **CSHB 104, CSHB 1056, CSHB 42, CSHB 4486, HB 3000**

EDUCATION K-16 — **HB 100**

STATE AFFAIRS — **HB 2240**

EDUCATION K-16 — **CSHB 718, HB 27**

STATE AFFAIRS — **HB 4904, HB 4202**

EDUCATION K-16 — **CSHB 2853**

BUSINESS AND COMMERCE — **HB 5129, HB 5093, HB 4765, HB 4748, HB 4559, HB 4350, HB 4214, HB 3388, HB 3112, HB 5196, CSHB 4211, HB 3516, HB 3092, HB 4233**

EDUCATION K-16 — **HB 4687**

BUSINESS AND COMMERCE — **HB 705, HB 1094, HB 2037, HB 3005, CSHB 3848**

BILLS ENGROSSED

May 25, 2025

SB 1538, SB 1749, SB 3038, SB 3062, SB 3065