

Texas Moves to Ban Most Hemp Derived THC Products

Texas House Approves Sweeping Ban on Hemp-Derived THC, Putting Billions at Stake

One of the Nation's Largest Hemp Markets Faces Sudden Collapse Under Senate Bill 3

Texas' booming hemp-derived THC industry is teetering on the edge of collapse following a decisive move by the state's House of Representatives to approve a near-total ban on intoxicating hemp products. On Wednesday night, lawmakers passed Senate Bill 3 by a vote of 86-53, following the state Senate's earlier approval in March. A final procedural vote is expected on Thursday, but with Governor Greg Abbott likely to sign the bill into law, the end appears imminent for the legal sale of delta-8, delta-9, and THCA products in the state.

The legislation, championed by Lieutenant Governor Dan Patrick, aims to shut down the loopholes created by the 2018 federal Farm Bill, which legalized hemp under a strict definition of containing less than 0.3% delta-9 THC. However, businesses found ways to isolate and sell alternative psychoactive cannabinoids like delta-8 and THCA, which were not explicitly restricted—until now.

A Direct Hit to a \$5.5 Billion Industry With National Implications

Texas is home to what many experts believe is the largest market in the country for hemp-derived THC. With over 8,500 retailers, the industry generates an estimated \$5.5 billion in annual revenue, supports 53,000+ jobs, and contributes more than \$260 million in state tax revenue, according to Oregon-based Whitney Economics.

Now, those numbers are at risk of evaporating.

“This bill dismantles the legal hemp industry and ignores the voices of small businesses, farmers, veterans, and consumers,” said the Texas Hemp Business Council, adding that lawmakers are effectively eliminating an entire economic sector despite “overwhelming testimony and clear data” showing both the safety and value of hemp-derived products.

Advocates Argue the Ban Undermines Health and Economic Benefits

Supporters of hemp-derived products say that these compounds are more than recreational alternatives; they offer relief for veterans with PTSD, seniors with chronic pain, and patients seeking affordable wellness alternatives. The products are federally legal and regulated through existing state frameworks, advocates argue, and banning them does more harm than good.

But legislators, led by Republican Rep. Tom Oliverson, remain resolute.

“If it gets you high, it is not legal anymore,” Oliverson reportedly said on the House floor, underscoring the bill’s core intent: to remove all intoxicating substances associated with hemp, regardless of their legality or popularity.

Texas Joins Other States in Closing Loopholes – But Goes Further

Texas is following in the footsteps of California, which enacted an emergency ban on hemp-derived THC products last fall. Like California, Texas lawmakers claim they are responding to unregulated intoxicating products flooding the market, often consumed without proper labeling, age verification, or dosage information.

However, Texas’ bill takes things even further by revising the legal definition of THC itself. This effectively closes what’s known as the “THCA loophole”, a method some vendors use to sell psychoactive cannabis under the guise of federally compliant hemp. The redefinition eliminates ambiguity, ensuring nearly all psychoactive hemp products are illegal unless specifically exempted.

The only exception in the bill is for non-intoxicating cannabidiol (CBD) products, which can still be sold under certain conditions.

A Blow to Hemp Entrepreneurs and a Warning Shot for the Nation

For entrepreneurs like Thomas Winstanley, executive vice president of Edibles.com, the implications of SB 3 extend far beyond Texas.

“This isn’t just a Texas issue – it’s a national one,” he said. “The precedent set here will send shockwaves across the country.”

Winstanley argues that while concerns about consumer safety are valid, outright bans are a “cure worse than the disease.” Instead of refining regulations to include product testing, labeling, and retail licensing, Texas is opting to shut down a sector that has thrived under federal and state legality for years.

Industry analysts warn that if Texas can eliminate a \$5.5 billion sector overnight, other states may follow suit.

Legal Challenges Likely, but No Guarantees of Relief

With such a drastic impact expected, hemp advocates are already preparing for litigation. However, it’s unclear whether the courts will intervene to block the ban before it takes effect. Previous challenges to similar bans in other states have yielded mixed results, often leaving small businesses in limbo for months or years.

Legal experts suggest that while federal law still permits hemp products with less than 0.3% delta-9 THC, states retain the right to regulate commerce within their borders, especially when intoxicating substances are involved.

Given the broad language of the Texas bill and strong support from top lawmakers, including Patrick and likely Abbott, a legal path to relief will likely be long and uncertain.

Retailers and Farmers Left Scrambling for Survival

The impending ban throws the future of thousands of small businesses, farmers, and processors into question. Many operators in Texas have invested heavily in product development, supply chains, and compliance, only to find themselves on the brink of insolvency.

For hemp farmers, the timing couldn't be worse. Planting season is underway, and without a viable outlet for their crop, many may be forced to pivot or shut down. The economic ripple effects could be devastating in rural areas where agriculture is already under stress.

Retailers are equally concerned. Storefronts that rely on gummies, beverages, tinctures, and smokable hemp products as top sellers now face the possibility of pulling inventory, issuing refunds, and laying off staff.

Some operators are considering relocation to states like Florida, where lawmakers failed to pass restrictions this year, and Governor Ron DeSantis vetoed similar legislation in 2023.

What Happens Next? The Industry Watches as Abbott Decides

The next step is a final vote in the Texas House, which is largely a formality. After that, the bill heads to Governor Greg Abbott's desk, where it is expected to be signed into law swiftly.

Once signed, implementation details will be worked out by the state's Department of State Health Services and other regulatory bodies, but immediate enforcement could begin within months.

Meanwhile, hemp operators and consumers alike are left grappling with a new reality: the largest market for hemp-derived THC in America may soon vanish, taking billions of dollars and thousands of jobs with it.

Senate Bill 3, a near-total ban on intoxicating hemp products, has passed both Texas legislative chambers.

The bill threatens a \$5.5 billion industry, impacting over 8,500 businesses and 53,000 jobs.

Delta-8, delta-9, and THCA products will all be banned under the new definition of THC.

Only non-intoxicating CBD products may remain legal.

Advocates warn of national consequences, as other states may adopt similar legislation.

Litigation is expected, but outcomes are uncertain.

As Texas stands poised to shut the door on its thriving hemp industry, all eyes are now on Governor Abbott and whether he'll deliver the final blow—or open the door to future reform.

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