

Texas Safeguards Hemp THC Industry, Expands Medical Cannabis

Texas Governor Blocks Hemp THC Ban, Preserving \$5.5 Billion Industry and Expanding Medical Marijuana Access

In a move with sweeping implications for both the hemp and medical cannabis sectors, Texas Governor Greg Abbott has vetoed legislation that threatened to dismantle the state's booming hemp-derived THC market—estimated to be worth \$5.5 billion. Simultaneously, the governor signed a new bill expanding the state's medical marijuana program, pushing Texas further into the national cannabis mainstream.

Senate Bill 3 Veto Halts Effort to Ban Hemp-Derived Intoxicants, Preserving 8,500 Retailers Across Texas

The vetoed legislation—Senate Bill 3—sought to outlaw hemp products containing any cannabinoid other than CBD or CBG. This would have effectively removed from the market products like delta-8 and delta-9 THC, which are derived from hemp but carry psychoactive effects. The bill, supported by Lt. Gov. Dan Patrick and several law enforcement leaders, was met with concern from thousands of small businesses that rely on hemp-derived THC sales.

Abbott's veto preserves access for an estimated 8,500 hemp retailers operating statewide, many of whom would have been forced to close under the proposed ban.

Governor Signals Special Legislative Session to Implement Hemp Regulations Instead of Outright Ban

Rather than allowing an immediate crackdown on the hemp industry, Governor Abbott announced plans to reconvene lawmakers for a special session aimed at crafting clearer, more legally durable regulations. His office cited the likelihood of litigation, referencing the legal instability seen in other states that enacted similar bans.

This approach allows Texas to maintain a thriving sector while also attempting to bring order and oversight to what has been, until now, a largely self-regulated market.

Texas Becomes 40th State to Legalize Medical Marijuana With Expanded Compassionate Use Act

Alongside the hemp veto, Abbott signed into law House Bill 46, which significantly broadens the state's medical marijuana program. Previously criticized as too narrow to serve most patients, the Texas Compassionate Use Program has now been updated with several key provisions:

- **Higher THC limits:** Products may now contain up to 10mg of THC per dose, with a maximum of 1 gram per product.
- **Expanded qualifying conditions:** Chronic pain, Crohn's disease, and traumatic brain injury have been added to the list.
- **More dispensaries:** The number of legal dispensing outlets will increase from three to as many as 15 statewide.

These changes mark a pivotal moment for Texas, particularly in light of its large veteran population and growing public support for cannabis reform.

Hemp Industry Victory Reflects Growing National Tension Between Federal and State Cannabis Laws

Abbott's decision reflects a broader conflict between federal and state law surrounding hemp and THC derivatives. Under the 2018 Farm Bill, hemp is federally legal so long as it contains no more than 0.3% THC by dry weight. Many states, however, have sought to further restrict hemp-derived intoxicants, often running into legal obstacles.

By halting Senate Bill 3, Texas avoids this "collision course" and aligns itself with a more nuanced regulatory path—at least for now.

Texas Balances Business Growth and Cannabis Regulation in a Rapidly Evolving Legal Landscape

The dual developments of preserving the hemp-derived THC market and expanding medical marijuana access signal a major turning point for cannabis policy in Texas. While challenges remain—including enforcement, safety, and future legislative negotiations—the state now positions itself as a growing hub for both hemp innovation and medical cannabis access.

As other states wrestle with bans, rollbacks, or expansion plans, Texas appears ready to chart a more measured and economically minded path forward.

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