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# **DSHS Consumable Hemp Program Overview**

**October 2024**

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# Background on Hemp Regulation in Texas



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# Legislative History

- **2018: Federal Farm Bill** de-coupled definition of hemp from marijuana, allowing for more widespread production.
- **2019: Texas HB 1325 (86-R)** granted DSHS authority to regulate the manufacture, distribution, and sale of consumable hemp products (CHP).
- **2020:** Consumable Hemp Program rules created by DSHS.



# Regulatory Limit for Consumable Hemp

- Delta-9 THC may not exceed 0.3% for hemp and hemp products.
- No other THC variation including Delta-8 THC is addressed in state or federal statute.
- CHPs are regulated as food if they comply with definition of hemp.
- All other hemp products (including Delta-9 THC > 0.3%) are considered controlled substances under Texas Controlled Substances Act (Health and Safety Code Chapter 481).



# DSHS Consumable Hemp and Beverages (Alcoholic and Non-Alcoholic)



# License versus Registration

- CHP License
  - Manufacturing/processing of CHP into beverages (alcoholic or non-alcoholic) in Texas is allowed
  - Mixing CHP into a drink at a bar requires a license
  - TABC permits the alcohol operations
- Retail Hemp Registration
  - Retail sale of finished-product CHP manufactured by other businesses
  - If a bar simply sells packaged CHP without opening, a CHP registration is sufficient
  - TABC permits the alcohol operations



# DSHS Consumable Hemp Program Operations



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# Inspect and Test

- **Inspect:** Random inspection of retail registrants began in early 2021
  - Inspectors collected product samples
- **Test:** Performed by a contract laboratory
  - Samples tested for Delta-9 THC and randomly tested for pesticides, heavy metals, bacteria, and other analytes





# CHP Licensees by the Numbers

CHP Manufacturers (CH Product License)	Retail Hemp Registrations	Retail Locations
706	4,647	8,333*

**\*Registrants can have more than one location under their registration.**

# Consumable Hemp Program Staff

- 2 licensing specialists and 4 sanitarians
  - Supported by revenue from CHP licensing fees
- DSHS Rider 32 (88R) allows up to 6 additional staff commensurate with revenue growth
  - DSHS hiring the following new program staff:
    - Manager (Hired Oct 2024)
    - Licensing specialist
    - 4 sanitarians



# Inspection Frequency

- Currently every 5 years
  - Additional sanitarians may reduce time between inspections
- Factors impacting inspection frequency:
  - Number of DSHS sanitarians available for inspections
  - Increasing number of retail locations
  - Size of manufacturing firms
  - Number and severity of deficiencies found during inspections

Consumable Hemp <b>Product</b> Manufacturer License Fee	Retail Hemp Registration Fee
\$250 per facility	\$150 per location (there can be multiple locations per Registration)



# TABC vs DSHS (or joint) Role by Activity

Activity	TABC License / Registration	DSHS Manufactured Food license	DSHS Consumable Hemp (Manufacturer) License	DSHS Retail Hemp Registration	DSHS Retail License
Alcoholic Beverages Manufactured	Y	Y	N	N	N
Alcoholic Beverages Sold	Y	N	N	N	N
Alcoholic Beverages plus Hemp Manufactured	Y	N	Y	N	N
Alcoholic Beverage plus Hemp Sold-Sealed (Canned or Bottled)	Y	N	N	Y	N
Alcoholic Beverage plus Hemp Sold (Unsealed-such as cocktails with hemp)	Y	N	Y	N	Y
Non-Alcoholic Beverage plus Hemp Sold-Sealed (Canned or bottled)	N	N	N	Y	Y- if juice or milk
Non-Alcoholic Beverage plus Hemp Sold-(Unsealed-such as an iced/hot drink with hemp added)	N	N	Y	N	Y
Non-Alcoholic Beverage Manufactured in Texas	N	Y	N	N	N
Non-Alcoholic Beverage Sold-sealed and Time/Temperature Control for Safety (TCS), juices and milk	N	N	N	N	Y
Non-Alcoholic Beverage Sold-sealed and non-TCS	N	N	N	N	N





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**Questions?**

**Thank You!**