

Troutman Pepper Locke Cannabis Communications Newsletter — June 18, 2025

WRITTEN BY

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Troutman Pepper Locke's Cannabis Practice helps clients throughout their business cycle enter or expand into the cannabis space. Our team combines the resources of attorneys in areas such as licensing and taxation, regulatory compliance, corporate and transactional, intellectual property, and real estate, among others, to provide comprehensive services.

Our Cannabis Practice provides advice on issues related to applicable federal and state law. Cannabis remains an illegal controlled substance under federal law.

CANNABIS REGULATORY UPDATES

TEXAS SENATE BILL 3: A SWEEPING BAN ON INTOXICATING HEMP-DERIVED PRODUCTS — IMPLICATIONS FOR THE INDUSTRY

By Jean Smith-Gonnell and [Cole White](#)

On May 27, the Texas Legislature sent [Senate Bill 3](#) (SB3) to Gov. Greg Abbott for signature, marking a potentially seismic shift in the legal landscape for hemp-derived cannabinoid products in the state. If signed into law – or allowed to take effect without a veto – SB3 will impose one of the most comprehensive bans on consumable hemp products in the country, to include all products containing any measurable amount of tetrahydrocannabinol (THC) or other natural and synthetic intoxicating cannabinoids. The legislation targets a market that has flourished since the passage of the 2018 federal Farm Bill and Texas's 2019 hemp law, creating new compliance, enforcement, and business continuity questions for stakeholders across the supply chain. This article summarizes SB3's major provisions and provides an example of the impacts the bill will have on manufacturers, retailers, and consumers through the lens of infused beverage products.

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RECENT SEC AML ENFORCEMENT ACTIONS' IMPACT ON COMPLIANCE EFFORTS IN THE CANNABIS SECTOR

By [Jay Dubow](#) and [Jessica McClellan](#)

Investing in the cannabis industry is not without its risks, given the evolving regulatory landscape and the varying state and federal statuses of the product itself. The Financial Crimes Enforcement Network (FinCEN) has shown it will continue to enforce its 2014 Marijuana Bank Secrecy Act (BSA) Guidance, despite the rescission of the Cole

Memo in 2018, which initially informed this guidance. Additionally, for public companies and other entities subject to oversight by the Securities and Exchange Commission (SEC), recent SEC enforcement cases reinforce the necessity of rigorous due diligence and adherence to anti-money laundering (AML) protocols, especially given that FinCEN maintains that all financial transactions involving marijuana remain federally illegal.

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