

THE LEGISLATIVE BATTLE OVER THCA IN TENNESSEE

An Economic, Public Health, and Regulatory Analysis

This document outlines the core arguments surrounding Tennessee's decision to restrict or ban Tetrahydrocannabinolic acid (THCA) under Public Chapter 526. It serves as an analytical roadmap for policymakers, showing why the previous regulatory approach under the Department of Agriculture was more effective than the current prohibition-heavy model.

THE ARGUMENT FOR RESTRICTION (The State's Position)

Proponents of the restrictive approach in Public Chapter 526 argue that THCA represents a regulatory loophole that allows intoxicating products to be sold under the guise of industrial hemp. They contend that the open availability of high-THCA products undermines state law and creates enforcement challenges.

- **The Decarboxylation Issue:** Because THCA converts into psychoactive Delta-9 THC when heated, opponents argue it functions as a de facto vehicle for recreational cannabis.
- **Public Safety Concerns:** State agencies claim that a lack of standardized field-testing tools makes it difficult to distinguish legal hemp from illicit cannabis during roadside stops.
- **Consumer Protection:** Concerns about inconsistent testing, youth access, and lack of standardized batch verification under the previous system.

THE ARGUMENT FOR RESTORING THE PREVIOUS FRAMEWORK

The previous regulatory system under the Tennessee Department of Agriculture (established by Public Chapter 423) successfully allowed legal THCA flower and other hemp-derived cannabinoid products while maintaining licensing, testing, age restrictions, and taxation. This framework supported a thriving market, generated state revenue, and provided adult access to lab-tested products. Public Chapter 526 dismantled that working system.

- **Economic Disruption:** The independent hemp-derived ecosystem in Tennessee was valued at an estimated \$1.7 billion. The strict Total THC formula in PC 526 effectively outlaws the highest-volume products that were legally sold under the previous TDA rules, threatening hundreds of licensed businesses.
- **Loss of State Revenue:** High-THCA options were a primary volume driver. The new restrictions have already led to major downward revisions in projected state tax revenue (\$55M+ → under \$10M).
- **Criminalization of Therapeutic Consumers:** Growing research shows THCA possesses unique therapeutic attributes (PPAR γ agonist with neuroprotective and anti-inflammatory properties). Prohibition drives consumers toward unregulated channels.
- **Property Rights & Good Faith Investment:** Tennessee businesses built their operations in good faith under the 2018 Farm Bill and the TDA regulatory framework. Retroactively changing the rules destroys legitimate livelihoods.

WHY RESTORING THE PREVIOUS TDA FRAMEWORK IS THE BETTER PATH:

An objective analysis shows that the previous TDA regulatory model (Public Chapter 423) created a functional system that allowed legal THCA flower while maintaining basic consumer protections. Public Chapter 526 replaced that system with prohibition-style restrictions that have caused measurable harm to businesses, revenue, and consumers — without achieving better public safety outcomes.

The rational solution is to restore the successful TDA framework that treated hemp-derived cannabinoids like other regulated adult products: clear licensing, testing, age verification, and reasonable taxation — while adding targeted improvements for individual accountability and enforcement (as outlined in the Tennessee Responsible Hemp Commerce Act).

Sources: Public Chapter 423 (2023 TDA framework); Public Chapter 526 (2025 TABC framework); Whitney Economics; PubMed studies on THCA; TABC licensing data; Tennessee Department of Finance & Administration revenue reports; contemporaneous news reporting. Current as of July 2026.

This analysis is provided for legislative and public policy consideration.