

Date of Hearing: January 23, 2020

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 1458 (Quirk) – As Amended January 15, 2020

Policy Committee: Business and Professions Vote: 15 - 1

Urgency: No State Mandated Local Program: No Reimbursable: No

**SUMMARY:**

This bill modifies two aspects of cannabis product laboratory testing. Specifically, this bill:

- 1) Requires a certificate of analysis issued by a cannabis testing laboratory to report, for edible cannabis products, that the milligrams (mg) per serving of THC does not exceed 10 mg per serving, plus or minus 12% (10% after January 1, 2022).
- 2) Allows a manufacturer to contest the testing results or request a retest of a batch, and requires the Bureau of Cannabis Control (BCC) to adopt implementing regulations.

**FISCAL EFFECT:**

- 1) Likely minor and absorbable costs to BCC to promulgate regulations (Cannabis Control Fund).
- 2) Ongoing staff costs, potentially in the hundreds of thousands of dollars, to BCC to review a potentially significant number of new tests and enforce compliance with the new requirements (Cannabis Control Fund).
- 3) One-time costs of \$100,000 to \$150,000 to California Department of Food and Agriculture for system enhancements to the California Cannabis Track-and-Trace (CCTT) information technology system, including creating an audit trail of retest request and modified results, reports of contested results, amendments to training documents, and other changes (Cannabis Control Fund).

**COMMENTS:**

- 1) **Purpose.** This bill is sponsored by the California Cannabis Manufacturer's Association to standardize dosing requirements and provide due process for potentially erroneous laboratory test results. This bill is supported by industry and has no opposition.
- 2) **Background.** Current law and regulation require cannabis products to be laboratory tested. If a cannabis goods batch fails regulatory compliance testing, the laboratory may not retest the batch and must issue a Certificate of Analysis (COA) based on the initial testing. These results are reported to the BCC and tracked in the CCTT information system. A licensed testing laboratory is not allowed to amend a COA after its issuance.
- 3) **Edibles.** Food products containing cannabis extract (edibles) are popular products, with consumers purchasing them for therapeutic and intoxicating effects. According to BCC, licensed testing laboratory shall deem a sample to have passed testing for all edible cannabis

products if the milligrams per serving for THC does not exceed 10 mg/serving, plus 10.0%. Industry indicates that 10 mg is roughly one “dose” of THC. THC dosing recommendations, according to industry standards, vary based on a consumer’s tolerance to edibles. This bill creates a standard maximum dose of 10 mg THC in statute and provides a higher sensitivity threshold of 12% until January 1, 2022.

- 4) **Retesting Laboratory Samples.** AB 404 (Mark Stone), Chapter 799, Statutes of 2019, also addressed the issue of retesting samples but allowed a narrower set of circumstances. It authorized a cannabis testing laboratory to amend a certificate of analysis (COA) to correct minor errors and retest samples with authorization if a test result falls outside specifications, in case of equipment malfunction, staff error or other circumstances authorized by the bureau. This bill allows manufacturers to contest the testing results or request a retest of a batch, but does not restrict the reasons for the request to retest.

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