
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 1027 (Sharp-Collins) - Cannabis: testing: quality assurance

Version: June 18, 2025

Urgency: No

Hearing Date: August 18, 2025

Policy Vote: B., P. & E.D. 11 - 0

Mandate: No

Consultant: Janelle Miyashiro

Bill Summary: AB 1027 revises the requirements for the Department of Cannabis Control (DCC) to notify a licensee of an embargoed product, as specified, and requires a licensee authorized to engage in the retail sale of cannabis products to provide a certificate of analysis (COA) to any customer upon request. AB 1027 also subjects testing laboratories to “performance testing,” as defined, and deletes the requirement for a DCC-employed quality assurance compliance monitor and instead requires the DCC to conduct random quality assurance reviews at a retailer, microbusiness, in addition to a distributor licensee.

Fiscal Impact: DCC reports costs of approximately \$379,000 in Fiscal Year 2025-26 and \$359,000 annually ongoing to support two additional positions to develop and implement new testing laboratory oversight responsibilities (Cannabis Control Fund).

Background: MAUCRSA requires cannabis in its final form to be laboratory tested prior to sale. Pursuant to Business and Professions Code (BPC) § 26100, no cannabis or cannabis products can be sold by a licensee, unless a representative sample of the cannabis or cannabis products has been tested by a licensed testing laboratory. Testing laboratories must obtain and maintain accreditation from ISO/ISE 17025 accreditation.

Cannabis testing laboratories are required to evaluate the levels of contaminants of cannabis samples, including residual solvent, processing chemicals, moisture content and water activity, foreign material (such as hair and insects) and microbiological impurities. Testing also determines the concentrations of active chemicals and to ensure compliance with safety standards. In addition to demonstrating and meeting safety standards for cannabis and cannabis products, laboratory testing also ensures the allowable amount of THC is contained in each product and that the product does not contain more than what is legally allowed and does not contain less so that a consumer is paying for the appropriate product. Under current law, BPC § 26100, specifically for edible cannabis products, the milligrams per serving of THC may not exceed 10 milligrams per serving and that the product does not deviate from the 10 milligrams by more than 10 percent.

Licensed testing laboratories report test results on a COA, which states whether the batch passes or fails testing for each substance. Licensed labs can only issue COAs and results after they finish all tests. Labs cannot change them after they are issued without permission from DCC. In addition to information pertaining to the product’s chemical profiles and contaminants, the COA documents administrative information about the laboratory, the distributor or microbusiness, dates and signatures, and other non-testing data, which can be subject to simple data entry mistakes. A COA may be amended to correct minor errors. Pursuant to DCC regulations, a cannabis or cannabis

product batch may only be remediated twice. If the batch fails after the second remediation attempt and the second retesting, the entire batch shall be destroyed.

A licensed testing laboratory may test items not regulated under MAUCRSA if they comply with the laws governing the testing of such items. A licensed testing laboratory shall maintain separate and distinct records of their activities regulated by this division and their activities that are subject to other laws.

In 2021, the Legislature passed and the Governor signed, SB 544 (Laird, Chapter 547, Statutes of 2021), which required DCC to establish standardized cannabinoid test methods to be used by all testing laboratories by January 1, 2023. Effective January 1, 2024, state licensed laboratories are required to use the DCC standardized cannabinoids test method and standardized operating procedures for testing dried flower, including non-infused pre-rolls.

As provided in current regulations, (4, CCR § 15735), licensed laboratories are required to conduct an internal audit at least once per year or in accordance with the ISO/IEC 17025 accrediting body's requirement, whichever is more frequent. However, these are internal audits, not by the DCC.

Proposed Law:

- Repeals the requirement for the DCC to affix a tag or other marker when the DCC has probable cause to believe a product is adulterated or misbranded and instead requires the DCC to give notice in writing or electronically of the embargoed product, as specified.
- Requires the licensee within one day of receiving a notice of embargo from the DCC to physically separate the embargoed cannabis and cannabis products from all other inventory and place the embargoed cannabis or cannabis products in a limited access area on the licensed premises until the licensee receives further instruction from the DCC.
- Requires a retailer licensee or any other licensee authorized to engage in the retail sale of cannabis or cannabis products to provide the COA associated with any cannabis or cannabis product held or offered for retail sale to a customer upon request of the customer or the DCC.
- Requires a retailer licensee or any other licensee authorized to engage in the retail sale of cannabis or cannabis products to allow the DCC to access any cannabis or cannabis products held or offered for retail sale for the purposes of conducting off-the-shelf laboratory testing in compliance with MAUCRSA or the DCC's regulations.
- Subjects licensed testing laboratories to performance testing by the DCC to ensure consistency of results across laboratories.
 - Defines "performance testing" to include, but is not limited to, blind proficiency testing, round robin testing, and any other type of programs that may be used to demonstrate competent performance of a test laboratory.
- Requires a licensed testing laboratory to notify the DCC if retesting is required.

- States that a licensed testing laboratory is required to comply with the DCC's request to evaluate the laboratory's testing practices, as determined in DCC regulations.
- Deletes the requirement for a quality assurance compliance monitor employed by the DCC and the duties of the quality assurance monitor.
- Authorizes the DCC to collect representative samples of cannabis and cannabis products for additional independent testing, and permits the DCC to order the retesting of cannabis products, as specified.
- Makes other minor and technical changes.

-- END --