SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair 2025 - 2026 Regular Session

AB 1332 (Ahrens) - Medicinal cannabis: shipments

Version: July 17, 2025 **Policy Vote:** B., P. & E.D. 10 - 0, L. GOV.

7 - 0

Urgency: No Mandate: Yes

Hearing Date: August 18, 2025 **Consultant:** Janelle Miyashiro

Bill Summary: AB 1332 authorizes, until January 1, 2029, a licensed cannabis microbusiness with a medicinal cannabis license to ship certain medicinal cannabis products directly to a medicinal cannabis patient in California if the licensed microbusiness complies with specified requirements.

Fiscal Impact:

- The Department of Cannabis Control (DCC) reports a one-time implementation cost
 of approximately \$269,000 in Fiscal Year (FY) 2026-27 to make changes to the
 track-and-trace system, and ongoing annual costs of \$472,000 beginning in FY
 2026-27 to support oversight of shipments and ensure compliance with product
 restrictions (Cannabis Control Fund). DCC notes enhancements to the track-andtrace system will require at least a year to develop and launch.
- Unknown, potentially significant cost pressures to the state funded trial court system to adjudicate any civil cases filed as a result of this measure (Trial Court Trust Fund, General Fund). The fiscal impact of this bill to the courts will depend on many unknowns, including the number of cases filed and the factors unique to each case. An eight-hour court day costs approximately \$10,500 in staff in workload. If court days exceed 10, costs to the trial courts could reach hundreds of thousands of dollars. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would put pressure on the General Fund to fund additional staff and resources and to increase the amount appropriated to backfill for trial court operations.
- Unknown, potentially reimbursable mandate costs (General Fund). To the extent the Commission on State Mandates determines that any of the provisions of this bill create a new program or impose a higher level of service on local agencies, local agencies could claim reimbursement of those costs.

Background: Pursuant to Business and Professions Code (BPC) § 26090, cannabis deliveries may only be made by a licensed retailer or microbusiness or a licensed non-profit. All employees engaged in the delivery must carry a copy of their employer's license and a government-issued identification with a photo. Upon request of state or local law enforcement, the employee must present a copy of the license and their photo identification. Prior to the cannabis or cannabis product leaving the licensed premises for delivery, product information is required to be entered into the track and trace system. During delivery, copies of each delivery request must be kept and made

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available upon request of both a licensing authority and law enforcement by both licensees and retained by the customer.

The DCC has established numerous regulations that specify the requirements that must be met in order to facilitate the delivery of cannabis or cannabis products. Deliveries must only be made to a physical address, they cannot be delivered outside of California, and they cannot be delivered to any grade school. DCC regulations permit licensed retailers to contract with a technology platform to facilitate the sale and delivery of cannabis goods only if the platform meets specified requirements.

Proposed Law:

- Permits licensed microbusinesses that are authorized to engage in retail sales of medicinal cannabis solely by means of shipment to provide free medicinal cannabis or medicinal cannabis products by means of shipment, and sunsets this authorization on January 1, 2029.
 - Defines "shipment" to mean the act of shipping medicinal cannabis or medicinal cannabis products to a medicinal cannabis patient by a licensed microbusiness utilizing a common carrier, as specified.
- Authorizes a licensed microbusiness with a medicinal cannabis license whose licensed activities include retail sale, distribution, and outdoor cultivation to directly ship medicinal cannabis to a medicinal cannabis patient in this state, if the licensed microbusiness complies with specified requirements.
- Requires a licensed microbusiness providing medicinal cannabis or medicinal cannabis products pursuant to this bill to a qualified patient who possesses a valid physician's recommendation, to ensure that the physician is in good standing and verify the physician's recommendation, as specified.
- Requires the microbusiness to act as the retailer for all cannabis products shipped and to be responsible for any taxes applicable to retailers under existing laws and regulations.
- Specifies that a common carrier cannot be in violation of any California law or local
 ordinance solely on the basis of conveying medicinal cannabis shipped pursuant to
 this bill, and such conveyance must not constitute delivery or transportation of
 cannabis.
- Provides definitions for purposes of this bill.
- Makes conforming changes to authorize the shipment of medicinal cannabis as prescribed by this bill in the Medicinal Cannabis Patients' Right of Access Act, as specified.
- Prohibits a local jurisdiction from adopting or enforcing any regulation that prohibits
 the retail sale by delivery within or shipment into or from the local jurisdiction of
 medicinal cannabis to medicinal cannabis patients or their primary caregivers by a
 licensed microbusiness, as specified.

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Prohibits a local jurisdiction from adopting or enforcing any regulation that prohibits
the retail sale by delivery within the local jurisdiction of medicinal cannabis to
medicinal cannabis patients or their primary caregivers, or that otherwise has the
effect of prohibiting the retail sale by delivery within the local jurisdiction of medicinal
cannabis to medicinal cannabis patients or their primary caregivers by licensed
medicinal cannabis businesses in a timely and readily accessible manner, and in
types and quantities that are sufficient to meet demand from medicinal cannabis
patients within the local jurisdiction, as specified.

- Provides that the bill's provisions may be additionally enforced by an action for writ
 of mandate by a licensed microbusiness that seeks to ship medicinal cannabis into
 the local jurisdiction.
- States legislative findings and declarations.
- Sunsets the provisions of this bill on January 1, 2029, except for the findings and declarations.