
**SENATE COMMITTEE ON
BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT**
Senator Dr. Aisha Wahab, Chair
2025 - 2026 Regular

Bill No: AB 1965 **Hearing Date:** June 29, 2026
Author: Sharp-Collins
Version: February 13, 2026
Urgency: No **Fiscal:** Yes
Consultant: Elissa Silva

Subject: Cannabis: testing: quality assurance

SUMMARY: Authorizes the Department of Cannabis Control (DCC) to conduct performance testing of licensed cannabis testing laboratories; requires cannabis retail licensees to provide the Certificate of Analysis (COA) upon request by a customer or the DCC; permits and the DCC to conduct off-the-shelf laboratory testing of any cannabis product and makes other updates to oversight of cannabis testing laboratories, as specified.

Existing law:

- 1) Establishes the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) to regulate the cultivation, distribution, transport, storage, manufacturing, processing, and sale of both medicinal cannabis and adult-use cannabis. (Business and Professions Code (BPC) § 26000)
- 2) Establishes the DCC, under the jurisdiction, of the Business, Consumer Services, and Housing Agency, to administer and regulate provisions of MAUCRSA. (BPC § 26010)
- 3) Requires the DCC to make and prescribe reasonable rules and regulations as necessary to implement, administer, and enforce its duties, which must be consistent with the purpose and intent of the Control, Regulate and Tax Adult Use of Marijuana Act. (BPC § 26013)
- 4) Prohibits a person from engaging in commercial cannabis activity without a license and is subject to civil penalties up to three times the amount of the license fee for each violation, as specified. (BPC §§ 26037.5, 26038)
- 5) Prohibits cannabis, cannabis products, or industrial hemp from being sold, pursuant to a license, unless a representative sample of the cannabis or cannabis products has been tested by a licensed testing laboratory. (BPC § 26100(a))
- 6) Requires, upon entry into the licensed market, industrial hemp be held in quarantine by the distributor and tested by a licensed testing laboratory to confirm it meets the definition of industrial hemp, before transfer to another licensee or incorporation into a cannabis product. (BPC § 26100(b))

- 7) Provides that the DCC is responsible for developing testing criteria to determine which batches must be tested, and all testing of the samples is to be in the final form in which the cannabis or cannabis product will be consumed. (BPC § 26100(c))
- 8) Requires testing of all batches to only be conducted by a licensed testing laboratory. (BPC § 26100(d))
- 9) Requires for each batch tested, the testing laboratory issue a COA, as specified, to report both of the following:
 - a) Whether the chemical profile of the sample conforms to the labeled content of compounds; and,
 - b) That the presence of contaminants does not exceed the levels established by the DCC, as specified, and that for edible cannabis products, the milligrams per serving of THC does not exceed 10 milligrams per serving, and the milligrams must not deviate from 10 milligrams by more than 10 percent. (BPC § 26100(e)(1)(3))
- 10) Authorizes a testing laboratory to amend a COA to correct minor errors, as defined by the DCC. (BPC § 26100(f))
- 11) Prohibits a testing laboratory from acquiring or receiving cannabis or cannabis products, unless those products are from a licensee under the DCC, except that a licensed testing laboratory may receive test samples of cannabis or cannabis products from local law enforcement, a regulatory authority, or a prosecuting agency and specifies that the DCC may not arrange or oversee that testing. (BPC § 26104(c)(1)(2))
- 12) Prohibits a testing laboratory from being licensed by DCC unless the laboratory meets all the following:
 - a) Complies with any other requirements specified by the DCC.
 - b) Notifies the DCC within one business day after the receipt of notice of any kind that its accreditation has been denied, suspended, or revoked.
 - c) Established standard operating procedures that provide for adequate chain of custody controls for samples transferred to the testing laboratory for testing. (BPC § 26102)

This bill:

- 1) Requires a retailer and any other licensee authorized to engage in the retail sale of cannabis or cannabis products to provide the COA associated with any cannabis or product held or offered for retail sale to the customer upon request of the customer or the DCC.

- 2) Subjects a testing laboratory to performance testing by the DCC to ensure consistency of results across laboratories.
- 3) Specifies that “performance testing” for purposes of this bill may include blind proficiency testing, round robin testing, and any other type of programs that may be used to demonstrate competent performance of a testing laboratory.
- 4) Requires a testing laboratory to additionally report to the DCC if a retest is required if the testing was compromised, as specified.
- 5) Requires a retailer and any other licensee authorized to engage in the retail sale of cannabis or cannabis products to allow the DCC to obtain or access any cannabis or cannabis products held or offered for retail sale to conduct off-the-shelf laboratory testing, as specified.
- 6) Deletes the prohibition on DCC arranging a testing laboratory for testing samples related to law enforcement requests and requires a testing laboratory to comply with the DCC’s request to evaluate the laboratory’s testing practices.

FISCAL EFFECT: According to the Assembly Committee on Appropriations, the bill will result in costs of an unknown amount to DCC but likely in the low to mid hundreds of thousands of dollars per year.

COMMENTS:

1. **Purpose.** The California Cannabis Operators Association is the sponsor of this bill. According to the Author, “Reports show that we are failing to deliver on the promise we made to provide safe and non-toxic cannabis. Instead, we are seeing documented pesticides and potency discrepancies, putting people’s health at risk. AB 1965 creates the necessary oversight so the Department of Cannabis Control can have adequate authority to regulate testing labs and ensure it is being assessed effectively. Changing the regulatory procedure of cannabis testing can allow the public to not put their health in danger and once again have trust in a safe legal cannabis market.”

2. **Background.**

Cannabis Regulation and the DCC. The DCC has both licensing and enforcement authority related to all commercial cannabis in California, including authority to act against unlicensed cannabis activities and take enforcement actions against licensees who violate the provisions of MAUCRSA. The DCC is required to convene an advisory committee with designated members of the cannabis industry including labor, health experts, local and state agencies, among others, to make recommendations to the DCC on the development of standards including best practices and guidelines that protect public health and safety, while ensuring a safe and regulated market that does not perpetuate the illicit market. This includes the licensing authority of the 20 different cannabis license types, including licensed testing laboratories. Prop 64 included very specific requirements for the regulatory program for cannabis and cannabis products, including that cannabis products be tested to ensure product safety.

Licensed Testing Laboratories. Current law requires cannabis in its final form to be laboratory tested prior to sale. Pursuant to BPC § 26100, no cannabis, cannabis products, or industrial hemp can be sold by a licensee, unless a representative sample of the products has been tested by a licensed testing laboratory. Testing laboratories must obtain and maintain accreditation from ISO/ISE 17025 accreditation. There are currently 19 licensed testing laboratories in California.

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 concentration of active chemicals and ensures 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, THC may not exceed 10 milligrams per serving. Current law does not specifically authorize DCC to test products off-the-shelf of a licensed retailer

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 must maintain separate and distinct records of their activities regulated by MAUCRSA and activities that are subject to other laws. Current law permits licensed testing laboratories to receive and test samples from law enforcement or other prosecuting agencies for purposes of testing cannabis or cannabis products, however the DCC is prohibited from arranging or overseeing that testing activity. Current regulations require that testing laboratories maintain independence from other licensed cannabis activities and may not have a financial interest in, lease property to or from, or employ any person with a cannabis licensee. Current law requires the DCC to establish specific producers for testing of cannabis products to ensure proper compliance and adherence to the standards of MAUCRSA.

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. Current law provides the DCC

with the power, duty, purpose, responsibility, and jurisdiction to regulate commercial cannabis activity. Further, the DCC may undertake and investigate, as it deems necessary to carry out its functions. However, there is nothing specified in statute that requires the DCC to conduct audits or inspections of licensed testing laboratories, although the DCC is not prevented from undertaking such evaluations.

To strengthen the DCC's oversight of licensed testing laboratories and ensure greater transparency of testing outcomes this bill proposes to make 5 specific statutory updates to cannabis testing requirements. 1) This bill will require cannabis licensees who are authorized to conduct retail cannabis sales to provide the COA for a specific cannabis or cannabis product to a customer or the DCC upon a request from either a customer or the DCC. As requirement under MAUCRSA, the licensee would be subject to enforcement by the DCC. 2) Although the testing laboratories are licensed by the DCC and subject to the DCC's oversight, this bill will require licensed laboratories to undergo "performance testing" which may include blind proficiency testing or any other programs determined to ensure competency of the licensed laboratories. The DCC will be responsible for determining the performance test schedule and what tests will be conducted. 3) This bill will authorize the DCC to conduct off-the-shelf laboratory testing for any cannabis goods offered for sale and require the DCC to develop criteria to determine which batches of cannabis goods must be retested. 4) This bill permits a testing laboratory to retest a sample without the DCC's authorization when a test result falls outside the specifications authorized by law or regulation, if either, (not both) the testing laboratory notifies the DCC in writing that the test was compromised due to equipment malfunction, staff error, or other circumstances allowed by regulation, or if retesting is required by the DCC; or the DCC authorizes the testing laboratory to retest the sample. 5) This bill eliminates the current prohibition against the DCC arranging or overseeing testing conducted for state or local law enforcement, a prosecuting agency, or a regulatory agency that is not considered commercial cannabis activity is restricted and instead requires a testing laboratory to comply with the DCC's request to evaluate their testing practices, as determined in DCC regulations.

3. **Arguments in Support.** California NORML writes in support and notes, "AB 1965 rightly requires cannabis retailers to provide a product's certificate of analysis to any customer upon request. Consumers should always have the right to know what's in a product.

"Unfortunately, there are concerns that bad actors in the testing industry have been breaking the rules by failing to report excessive levels of harmful pesticides and other contaminants, and by fraudulently inflating the THC content of tested samples. An LA Times investigation found a high incidence of illegal pesticides in state-licensed products (Sept 18, 2024). Other sources report that certain manufacturers have fraudulently inflated stated levels of THC by working with labs known to give artificially high results, as higher THC levels fetch higher prices.

"AB 1965 would tighten quality assurance oversight by empowering DCC to conduct off-the-shelf lab testing of cannabis products to ensure their compliance with state regulations, and to require retailers to provide a laboratory certificate of analysis for any product they offer for sale."

4. **Comments.** Social Equity LA is support if amendments and notes, “We appreciate your leadership in authoring AB 1965 and your commitment to improving consumer confidence in California's regulated cannabis market. In particular, we strongly support the bill's requirement that retailers provide the Certificate of Analysis (COA) associated with a cannabis product upon request. This provision represents a significant step forward in ensuring consumers have access to critical information regarding product safety, potency, and compliance testing. To maximize the effectiveness of this requirement, we respectfully propose the following amendment:

"... (l) A retailer and any other licensee authorized to engage in the retail sale of cannabis or cannabis products shall provide the certificate of analysis associated with any cannabis or cannabis product held or offered for retail sale to a customer upon request of the customer or the department. *The certificate of analysis requirement shall be satisfied through a quick response code generated by the Department's track and trace system, with the purpose of providing additional product information to the consumer.*"

SUPPORT AND OPPOSITION:

Support:

Cal NORML

Opposition:

None received

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