

ASSEMBLY THIRD READING
AB 2250 (Aguiar-Curry)
As Amended March 11, 2026
Majority vote

SUMMARY

Makes various minor and technical changes to provisions of law providing for the regulation and enforcement of products containing cannabinoids derived from industrial hemp.

Major Provisions

- 1) Align the definitions of "cannabis" and "cannabis products" for purposes of the Cigarette and Tobacco Products Licensing Act of 2003 with definitions in the Health and Safety Code.
- 2) Exempt cannabitol (CBN) isolate from the definition of "cannabis concentrate."
- 3) Authorize the California Department of Tax and Fee Administration (CDTFA) or a law enforcement agency to seize cannabis or cannabis products that are possessed, stored, offered for sale, or sold at an unlicensed premises.
- 4) Make additional technical, clarifying, and conforming changes.

COMMENTS

Integration of Cannabis and Hemp. Notwithstanding the biological and chemical similarities of cannabis and hemp, hemp products are considered "non-cannabis goods" for purpose of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). Under Section 15407 of Department of Cannabis Control (DCC) regulations, licensed cannabis retailers are prohibited from selling any non-cannabis goods besides cannabis accessories, branded merchandise, and, subject to local authorization, prepackaged non-cannabis infused and food and beverages. While presumably an individual or entity could both engage in a licensed cannabis business and in a business involving hemp, it is understood that the two supply chains must remain fully distinct.

Whether hemp and cannabis products should be allowed to coexist in a regulatory context has been debated consistently over the past several years. Because both plants contain the same cannabinoids, it is often the case that two essentially identical products—CBD gummies, for example—are regulated and sold differently based on whether the CBD was derived from cannabis or industrial hemp. Many cannabis retailers may wish to also sell products derived from hemp. However, some in the cannabis industry may see hemp as an unwelcomed competitor, and concerns have been expressed that the difference in regulatory systems and consumer safety requirements should keep the two products separated.

AB 45 included language requiring the DCC to prepare a report to the Governor and the Legislature outlining the steps necessary to allow for the incorporation of hemp cannabinoids into the cannabis supply chain. The report is required to include, but is not be limited to, the incorporation of hemp cannabinoids into manufactured cannabis products and the sale of hemp products at cannabis retailers. Language in AB 45 also stated the intent of the Legislature to consider, in light of the DCC's report, "whether and how to take legislative action concerning the incorporation of hemp into the cannabis supply chain."

The DCC published *The Hemp Report: Steps and Considerations for Incorporating Hemp Into the Commercial Cannabis Supply Chain* and submitted it to the Legislature in January of 2023. The report submitted by the DCC stated that "incorporating hemp into the regulated commercial cannabis supply chain presents both policy and implementation challenges. From the policy perspective, several determinations would need to be made to move forward with the inclusion of hemp." In the report's conclusion, the DCC summarized its determinations and conclusions as follows:

As detailed in this report, the inclusion of hemp into the commercial cannabis supply chain is complex and requires careful consideration of significant policy questions to arrive at an approach that is in the best interests of California. The approach utilized to accomplish this end would directly impact the cannabis industry, hemp industry, standard commercial market, medicinal and adult-use consumers, and the Department and other responsible California state agencies. While this report raises significant policy considerations to inspire and support deliberations between policy makers and stakeholders, it should not be interpreted as containing every single issue that may need to be considered and addressed by policy makers to determine when or if to incorporate hemp into the cannabis supply chain. If California chooses to allow hemp into the commercial cannabis supply chain, irrespective of which approach California adopts, implementation will likely require significant time and resources.

Intoxicating Hemp. Concerns have grown over the past several years regarding the perceived proliferation of intoxicating hemp products. In 2022, the California Cannabis Industry Association (CCIA) issued a white paper in October 2022 titled *Pandora's Box: The Dangers of a National, Unregulated, Hemp-Derived Intoxicating Cannabinoid Market*. The CCIA report argued that loopholes in the 2018 Farm Bill, which defined industrial hemp as having no more than 0.3 % delta-9 THC content by dry weight, inadvertently created led to the proliferation of intoxicating hemp products. Specifically, the white paper points to a Ninth Circuit decision that the CCIA says "unleashed a Wild West of intoxicants when it ruled that products containing delta-8 THC meet the statutory definition of industrial hemp."

According to the FDA, delta-8 THC is a cannabinoid typically synthetically manufactured from hemp-derived CBD that has significant psychoactive and intoxicating effects. The FDA has expressed concern that delta-8 THC products "likely expose consumers to much higher levels of the substance than are naturally occurring in hemp cannabis raw extracts." There were reportedly 104 reports made to the FDA of adverse events in patients who consumed delta-8 THC products between December 1, 2020, and February 28, 2022, over half of which resulted in medical intervention or hospital admission.

In April 2023, the Cannabis Regulators Association (CANNRA), a coalition of regulatory agencies overseeing cannabis and hemp industries in more than 40 states and territories in the United States, wrote a letter to congressional leadership requesting action at the federal level provide a regulatory framework for products containing THC derived from hemp. CANNRA specifically called attention to the fact that a 0.3 % threshold of delta-9 THC by weight is a relatively small amount of THC in a hemp plant, but is significantly more when included as an ingredient in edible products and beverages. A 50-gram chocolate bar, for example, would have around 150 milligrams of THC at the 0.3 % THC limit – 30 times the standard 5 milligram THC dose established by the National Institute on Drug Abuse.

In February 2025, a white paper titled *The Great Hemp Hoax* was published with funding by the San Diego/Imperial Counties Joint Labor Management Cannabis Committee, UFCW, and March and Ash. This paper discussed findings that out of more than 100 intoxicating hemp products from 68 brands available to California consumers through online purchases, 95 % contained synthetic cannabinoids prohibited under California law. Additionally, over 88 % of tested products exceed the maximum amount of THC allowed to be classified as hemp products in California. The white paper found that on average, vape products supposedly derived from hemp had THC equivalency levels 268% above the state's threshold for adult-use cannabis.

Efforts to Integrate and Regulate Hemp Products Containing Cannabinoids. In 2023, AB 420 (Aguiar-Curry) was introduced to as a vehicle for continued discussions around how California might integrate industrial hemp into the supply chain for cannabis. Initially, the bill contained a statement that nothing in MAUCRSA prohibits integration. Subsequent amendments to the bill that were made in the Senate provided for greater details regarding how integration would be achieved. The amendments also expanded prohibitions against industrial hemp containing synthetic THC or similar cannabinoids. However, the bill was ultimately held under submission on the suspense file in the Senate Committee on Appropriations.

The following year, AB 2223 (Aguiar-Curry) was introduced to again seek to strengthen California laws governing the cultivation, manufacturing, and sale of hemp products. Language in the bill would have expressly allowed for the integration of industrial hemp into the licensed cannabis supply chain, with additional requirements to ensure that integration occurs safely. The bill also sought to close loopholes created in federal law by explicitly prohibiting intoxicating hemp products from being manufactured and sold in California. However, this bill was also held under submission on the suspense file in the Senate Committee on Appropriations.

In September 2024, Governor Gavin Newsom announced that the CDPH was issuing emergency regulations banning the sale of consumable hemp products containing any detectable levels of THC or other intoxicating cannabinoids in California. The regulations additionally prohibited sales of hemp products to individuals under 21 and limited servings to five per package. State regulators indicated that sellers would be required to implement purchase restrictions and remove consumable hemp products containing any levels of detectable THC from shelves immediately upon the effective date of the regulations.

The Governor's emergency regulations were challenged in court by a coalition led by the U.S. Hemp Roundtable and several hemp businesses, who sought to halt enforcement and argued that the ban exceeded CDPH's rulemaking authority, specifically pointing to the failure of AB 2223 to pass the Legislature. However, in October 2024, the request for a temporary restraining order was denied by the Los Angeles County Superior Court, who found that the state had a compelling interest in protecting public health, especially that of children, from unregulated intoxicating hemp products. In March 2025, the CDPH extended the ban for through June 2025.

In 2026, the Legislature enacted AB 8, which was intended to build on the state's prohibition against the sale of intoxicating hemp products while allowing products containing cannabinoids derived from hemp to be manufactured and sold through the cannabis supply chain. The bill expanded the definition of "cannabis products" in the Uniform Controlled Substances Act, and aligned that definition with MAUCRSA, to include any product containing cannabis or cannabis concentrate including, but is not limited to, edible, topical, and inhaled products, and products intended for use on, or consumption by, an animal.

Under the framework established in AB 8, any product containing a concentrated cannabinoid derived from hemp, with the exception of pure CBD isolate, would fall under the definition of a cannabis product. Under that reclassification, cannabis products derived from industrial hemp are eligible for integration into the cannabis supply chain. Various provisions of MAUCRSA would apply to those products, including track and trace identification, advertising restrictions, security and transportation safety requirements, quality assurance standards, and laboratory testing. Industrial hemp or cannabis products derived exclusively from industrial hemp may still be shipped through California without entering the licensed cannabis market, provided they are not sold in California, or shipped out of California by a cannabis licensee. AB 8 also subjected cannabis products derived from industrial hemp to the state's 15 percent cannabis excise tax.

In addition to language classifying products containing concentrated cannabinoids derived from industrial hemp as cannabis products and incorporating those products into the cannabis supply chain, AB 8 made a number of additional technical and corresponding changes to ensure that regulators are able to oversee and enforce MAUCRSA and other state laws governing cannabis and hemp. A majority of the bill will not go into effect until January 1, 2028, allowing time for the industry and the state to prepare for the changes proposed by the bill. During that interim period, licensed cannabis manufacturers are only allowed to use cannabinoid concentrates and extracts that were manufactured or processed exclusively from cannabis obtained from a licensed cannabis cultivator and are not allowed to possess, transport, distribute, manufacture, or sell industrial hemp on or from a licensed premises, except that a licensed testing laboratory may test industrial hemp.

This bill would make a series of technical and clarifying changes to provisions of law enacted or amended through AB 8 in anticipation of the January 1, 2028 implementation date. Language in the bill would specifically clarify statutory cannabinoid definitions (to ensure consistency across code sections), seizure authority, and rules for tobacco retailers. These changes are intended to ensure that regulators are able to clearly and equitably enforce the law once AB 8 fully goes into effect.

According to the Author

"Last year, I authored AB 8 (Aguiar-Curry, Chapter 248, Statutes of 2025) to protect public health and licensed businesses by strengthening enforcement against illegal hemp products, ensuring that all intoxicating cannabinoids are regulated and taxed as cannabis, and creating a pathway for responsible hemp and cannabis operators to participate in the federal and state legal markets. AB 2250 is a technical clean up bill that will make sure that AB 8 can be implemented effectively. These changes are needed to ensure that state agencies have the tools they need to provide oversight and enforcement for California's cannabis marketplace."

Arguments in Support

The *California Cannabis Operators Association* (CaCOA) supports this bill, writing: "CaCOA was proud to sponsor AB 8 (Aguiar-Curry, 2025), landmark legislation that fundamentally restructured California's approach to intoxicating hemp-derived cannabinoids by codifying emergency regulations prohibiting the manufacture and sale of these products outside the regulated cannabis supply chain. The measure also strengthened enforcement authority, clarified regulatory jurisdiction, and reinforced the state's commitment to public health, consumer safety, and market integrity. As with any comprehensive statutory reform of this scale, technical and conforming amendments are both expected and necessary to ensure consistent interpretation and effective implementation across agencies. AB 2250 serves precisely that purpose."

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, the CDTFA estimates that this bill will result in losses of \$1.7 million to \$2.0 million in cannabis excise tax revenue and \$150,000 to \$170,000 in sales and use tax revenue for the 2028 calendar year; the CDTFA will also incur absorbable costs to conduct additional seizures of cannabis products.

VOTES**ASM BUSINESS AND PROFESSIONS: 19-0-0**

YES: Berman, Johnson, Addis, Ahrens, Alanis, Bains, Aguiar-Curry, Caloza, Chen, Elhawary, Hadwick, Haney, Hart, Irwin, Jackson, Lowenthal, Macedo, Nguyen, Pellerin

ASM REVENUE AND TAXATION: 7-0-0

YES: Gipson, Sanchez, Carrillo, DeMaio, McKinnor, Quirk-Silva, Michelle Rodriguez

ASM APPROPRIATIONS: 14-0-1

YES: Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Tangipa

ABS, ABST OR NV: Ta

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