
**SENATE COMMITTEE ON
BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT**

**Senator Dr. Aisha Wahab, Chair
2025 - 2026 Regular**

Bill No:	AB 2250	Hearing Date:	June 15, 2026
Author:	Aguiar-Curry		
Version:	March 11, 2026		
Urgency:	No	Fiscal:	Yes
Consultant:	Elissa Silva		

Subject: Cannabis: cannabinoids

SUMMARY: Makes various technical and conforming changes to the various provisions of law which provide for the regulation and enforcement of products containing cannabinoids derived from industrial hemp.

NOTE: *This bill is double-referred to the Senate Committee on Revenue and Taxation, second.*

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) Establishes grounds for disciplinary action against cannabis licensees, including failure to comply with state requirements as well as local laws and ordinances. (BPC § 26030)
- 5) Prohibits the sale of cannabis products that are alcoholic beverages, including through an infusion of cannabis or cannabinoids derived from industrial hemp into alcoholic beverages. (BPC § 26070.2)
- 6) Defines “industrial hemp” to mean types of the plant *Cannabis sativa* Linnaeus or any part of that plant with a total tetrahydrocannabinol concentration of no more than 0.3 percent on a dry weight basis and is limited to only agricultural products, including seeds, propagated plant material, immature or mature plants, harvested plants, mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, or any preparation that does not contain cannabinoids.

(Health and Safety Code (HSC) § 11018.5(a))

- 7) Prohibits industrial hemp products from being labeled or advertised with any health-related statement that is untrue in any particular manner as to the health effects of consuming products containing industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp. (HSC § 110407(a))
- 8) Exempts industrial hemp from the provisions of the Uniform Controlled Substances Act, or the provisions of MAUCRSA except upon entry into the legal market under MAUCRSA and must be regulated by the CDFA. (HSC § 11018.5(b))
- 9) Provides the California Department of Food and Agriculture (CDFA) with responsibility for administering and enforcing laws governing the growing, cultivating, and distributing of industrial hemp. (Food and Agricultural Code(FAC) §§ 81000 *et seq.*)
- 10) Defines “industrial hemp” or hemp” to mean an agricultural product, whether growing or not, that is limited to types of the plant *Cannabis sativa L.* and any part of that plant, including the seeds of the plant and all derivatives, extracts, the resin extracted from any part of the plant, cannabinoids, isomers, acids, salts, and salts of isomers, with a delta-9 tetrahydrocannabinol concentration of no more than 0.3 percent on a dry weight basis. (FAC § 81000(a)(7))
- 11) Requires a retailer to have in place and maintain a license issued by the California Department of Tax and Fee Administration (CDTFA) to engage in the sale of cigarettes or tobacco products and further requires a retailer that owns or controls more than one retail location to obtain a separate license for each location, as specified. (BPC § 22972(a))
- 12) Prohibits a person that is engaged in the business of selling cigarettes or tobacco products from possessing, storing, owning, or making a retail sale of cannabis, cannabis products, or a product presumed to be a cannabis product at any site where cigarettes or tobacco products are stored or sold. (BPC § 22980.6(a))
- 13) Requires all moneys collected pursuant to a violation of the Cigarette and Tobacco Products Licensing Act of 2003 to be deposited in the Cigarette and Tobacco Products Compliance fund (compliance fund), and all moneys in the compliance fund are available for expenditure upon appropriation by the Legislature solely for purposes of implementing, enforcing, and administering the Cigarette and Tobacco Products Licensing Act of 2003, including the seizure and destruction of cigarettes and tobacco product. (BPC § 22990)
- 14) Requires the CDTFA upon request, to provide to the State Department of Public Health, the office of the Attorney General, a law enforcement agency, a local lead agency, and any agency authorized to enforce or administer state or local tobacco control laws to access to the CDTFA’s database of licensed retailers within the jurisdiction of that agency, local agency, lead agency or law enforcement agency for purposes of enforcing tobacco control laws and adhere to all state laws pertaining to the protection of personal information and individual privacy. (BPC § 22973.2)

- 15) Authorizes the CDTFA to seize flavored tobacco products or tobacco product flavor enhancers at the retail location if a retailer or any of the tobacco retailer's agents or employees sell or offer to sell a flavored tobacco product, as specified. (BPC § 22974.2)
- 16) Establishes the Cannabis Tax Law. (Revenue and Taxation Code (RTC) § 34010 *et seq.*)
- 17) Authorizes the CDTFA or a law enforcement agency to seize cannabis or cannabis products from a person who possesses, stores, owns, or has made a retail sale of specified cannabis products if any of the following apply:
 - a) Until January 1, 2023, the cannabis or cannabis products are without evidence of tax payment.
 - b) The cannabis or cannabis products are not contained in secure packaging.
 - c) The person is an unlicensed person
 - d) The cannabis or cannabis products were not reported in the track and trace system
 - e) The product is presumed to be a cannabis product and is possessed, stored, offered for sale, or sold by an unlicensed person or at an unlicensed premises. (BPC § 34016(c)(1)(A))

This bill:

- 1) Confirms the definition of cannabis and cannabis products under the cigarette and tobacco licensing act of 2003 (Act of 2003), with the definition of cannabis products in the Health and Safety Code (HSC).
- 2) Clarifies that a person engaged in the business of selling cigarette or tobacco products is prohibited from making any sale, not just a retail sale, of cannabis, cannabis products, or a product presumed to be cannabis.
- 3) Authorizes the 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) Removes the definition of "CBD isolate" and "synthetic cannabinoid" from the Cannabis Tax Law.
- 5) Makes other technical changes.

FISCAL EFFECT: 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 (California Cannabis Tax Fund), and \$150,000 to \$170,000 in sales and use tax revenue for the 2028 calendar year (Cigarette and

Tobacco Products Compliance Fund). CDTFA will also incur absorbable costs to conduct additional seizures of cannabis products.”

COMMENTS:

1. **Purpose.** The Author is the sponsor of this bill. 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.”

2. **Background.**

Cannabis and Cannabis Product Regulation until January 1, 2028. Pursuant to the provisions of MAUCRSA, the regulated commercial cannabis market in California operates as a closed system. Cannabis or cannabis products are strictly prohibited from being transported outside of California and cannabis sourced in other states is not allowed into California’s cannabis marketplace. Cannabis products in California must meet strict regulatory requirements, derived from the voter initiative Proposition 64, The Control, Regulate and Tax Adult Use of Marijuana Act (Prop 64). California’s cannabis products are required to meet safety standards prior to retail sale and are subject to product testing requirements. Under current law, a separate license is required for every corner of the cannabis market, which includes growing cannabis, transporting cannabis, making cannabis products, testing cannabis products, selling cannabis, and holding an event where cannabis is sold. Each license type is distinct and must be approved before operating. The DCC requires all batches of cannabis goods to be tested before they can be sold. DCC regulated testing labs test cannabis goods to make sure they are free of contaminants and labeled with accurate amounts of cannabinoids and terpenes, or other additives. Hemp is prohibited under the provisions of MAUCRSA, until January 1, 2028.

January 1, 2028: Integration of Hemp Under MAUCRSA. In 2025, the Legislature passed, and the Governor signed into law, AB 8 (Aguiar-Curry, Chapter 248, Statutes of 2025). AB 8 created a legal framework for the integration of cannabinoids derived from hemp to be integrated into the cannabis supply chain beginning January 1, 2028. AB 8 allows hemp plant material to enter the cannabis supply chain and be used in manufacturing of cannabis or hemp products and sold by cannabis retailers or transported out of state. AB 8 is intended to ensure that all cannabinoid products – whether derived from cannabis or hemp – are subject to the same regulatory standards.

AB 8 allows cannabinoids derived from hemp, outside of the regulated cannabis cultivator framework under MAUCRSA, to enter the cannabis supply chain at the point of laboratory testing and manufacturing and additionally allows hemp products to exit the system, either as raw ingredients (non-intoxicating cannabinoid isolates)

for use in non-cannabis manufacturing or as finished products for transport outside of the state.

The DCC has responsibility for the licensure and regulation of cannabis and enforcement of the provisions of MAUCRSA. A cannabis retailer must have a license issued by the DCC. Current law under the provisions of MAUCRSA specifically prohibit tobacco or alcohol products from being sold at a cannabis retail location. The CDTFA is the lead agency responsible for oversight and regulation of the Cannabis Tax Law.

Under the California Cigarette and Tobacco Products Licensing Act of 2003, any business in California that sells cigarette and tobacco products is required to obtain a cigarette and tobacco retailer license (in addition to any local permit) issued by the CDTFA. If CDTFA discovers that a retailer, or any of its agents or employees, sells or offers to sell unstamped cigarette packages, it can seize the packages. Similar authority exists for CDTFA to seize cannabis products under specified circumstances. This bill clarifies that CDTFA's enforcement funds are available for enforcing cannabis sales at unlicensed premises.

Hemp cultivation is primarily regulated by the California Department of Food and Agriculture, and hemp manufacturing is regulated under the Sherman Food, Drug, and Cosmetic Law by the California Department of Public Health. As part of the regulatory framework to allow cannabinoids derived from hemp to be integrated into MAUCRSA. AB 8 updated numerous definitions across code sections including the BPC, the HSC, and the RTC.

This bill makes several clarifying and conforming changes to clarify regulatory authority to address the integration of cannabinoids derived from hemp into the cannabis regulatory framework. This bill would clarify the definition of cannabinoids across code sections to provide consistency for each of the regulatory bodies who are responsible for their delegated regulatory oversight of cannabis products. The changes in this bill are to ensure a smooth transition of integration of hemp-based cannabinoids into the legal cannabis marketplace and oversight framework.

3. **Arguments in Support.** The California Cannabis Operators Association writes in support and notes, "... (CaCOA) is pleased to support your bill, Assembly Bill 2250, a technical clean-up measure to AB 8 that clarifies statutory language, addresses key technical issues, and supports implementation of the state's intoxicating hemp framework."

Good Farmers Great Neighbors, and NUG write in support and note, "AB 2250 provides timely technical amendments complementing AB 8 by excluding CBN from the definition of cannabis concentrate. Additionally, the Bill clarifies timelines and enforcement penalties when there's a violation of the statute."

4. **Comments.** Origins Council is support if amended and notes, "...we are writing to support AB 2250 if amended to include additional clean-up language to ensure that AB 8's integration provisions - currently slated for implementation on January 1, 2028 - do not undermine licensed California cultivators or the integrity of the

California licensed cannabis market. To summarize, the amendments we are requesting are the following:

1. Require cannabis products derived in whole or in part from industrial hemp to be labeled as such.
2. Require CBD-only products sold in the cannabis supply chain to be regulated as cannabis products (regarding testing, packaging, labeling, etc.)
3. Prohibit hemp-derived THC in all cannabis products, not just inhalable products.
4. Require DCC to provide the legislature with a report on AB 8 implementation following hemp integration.
5. Ensure that hemp integration does not undermine the integrity of existing legal protections for city of origin, county of origin, and appellation of origin.”

SUPPORT AND OPPOSITION:

Support:

California Cannabis Operators Association
Good Farmers Great Neighbors
Nug, INC.

Opposition:

None received

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