

THIRD READING

Bill No: AB 2250
Author: Aguiar-Curry (D)
Amended: 8/21/26 in Senate
Vote: 21

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 11-0, 6/15/26
AYES: Wahab, Choi, Archuleta, Arreguín, Caballero, Grayson, Menjivar, Niello,
Smallwood-Cuevas, Strickland, Umberg

SENATE REVENUE AND TAXATION COMMITTEE: 4-0, 6/24/26
AYES: McNerney, Ashby, Becker, Grayson
NO VOTE RECORDED: Alvarado-Gil

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 72-0, 5/22/26 - See last page for vote

SUBJECT: Cannabis: cannabinoids

SOURCE: Author

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

Senate Floor Amendments of 8/21/26 specify that sale of cannabis or cannabis products includes cultivation, harvest, processing, manufacturing, distributing, inventory, sale and delivery.

ANALYSIS:

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 *et seq.*)
- 2) Establishes the Department of Cannabis Control (DCC), under the jurisdiction, of the Business, Consumer Services, and Housing Agency, to administer and regulate provisions of MAUCRSA and requires the DCC to set reasonable rules and regulations as necessary to implement, administer, and enforce its duties, which must be consistent with the purpose and intent of MAUCRSA. (BPC §§ 26010, 26013,)
- 3) 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% 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))
- 4) 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.*)
- 5) 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))
- 6) 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))
- 7) Establishes the Cannabis Tax Law. (Revenue and Taxation Code (RTC) § 34010 *et seq.*)

This bill:

- 1) Conforms 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 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 and clarifying changes.

Background

Cannabis and Cannabis Product Regulation until January 1, 2028. 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. California’s cannabis products must meet safety standards prior to retail sale and are subject to product testing. 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. 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. The DCC has responsibility for the licensure and regulation of cannabis and enforcement of the provisions of MAUCRSA. The CDTFA is the lead agency responsible for oversight and regulation of the Cannabis Tax Law.

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 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.

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. Current law under the provisions of MAUCRSA specifically prohibit tobacco or alcohol products from being sold at a cannabis retail location and cannabis or cannabis products may not be sold at a cigarette and tobacco retailer. This bill clarifies that CDTFA's enforcement funds are available for enforcing cannabis sales at unlicensed premises.

Hemp cultivation is primarily regulated by the CDFA, 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 clarifies 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.

Comments

Origins Council supports this bill if it is "...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."

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Committee on Appropriations, CDTFA) estimates revenue losses for the 2028 calendar year resulting from the exclusion of cannabitol (CBN) from the cannabis excise tax and any additional administrative and enforcement workload for CDTFA is expected to be absorbable. DCC does not anticipate a fiscal impact.

SUPPORT: (Verified 8/20/26)

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

OPPOSITION: (Verified 8/20/26)

None received

ARGUMENTS IN SUPPORT: Supporters note generally that this bill provides necessary technical updates and clarifications.

ASSEMBLY FLOOR: 72-0, 5/22/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Tangipa, Valencia, Wallis, Ward, Wilson, Zbur, Rivas

NO VOTE RECORDED: Arambula, Bauer-Kahan, Chen, Gabriel, Lackey, Celeste Rodriguez, Ta, Wicks

Prepared by: Elissa Silva / B., P. & E.D. / 916-651-4104
8/24/26 11:23:54

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