SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2667 (Hadwick) - Vape products: household hazardous waste: advertising

Version: June 25, 2026
Policy Vote: E.Q. 7 - 0, B., P. & E.D. 10 - 0, REV. & TAX. 4 - 0
Urgency: No
Mandate: Yes
Hearing Date: August 3, 2026
Consultant: Ashley Ames

Bill Summary: This bill would prohibit the sale, distribution, and advertising of vape products in this state that imitate a product that is not a vape product to conceal the nature of the vape product from parents, teachers, or other adults, among other changes.

Fiscal Impact:

- The Department of Toxic Substances Control (DTSC) estimates ongoing costs of approximately $440,000 annually (Electronic Waste Recovery & Recycling Account) to evaluate opportunities for the collection and disposal of vapes confiscated from students by a school, identify legislative or regulatory recommendations, update its Permit by Rule regulation (which creates a process that allows generators of hazardous waste to treat certain wastes without having to go through the formal permitting process) to explicitly authorize vape disassembly, coordinate with and provide oversight to the state's Certified Unified Program Agencies (who administer the Permit by Rule program at the local level), coordinate with U.S. EPA, and other associated tasks.
- The California Department of Tax and Fee Administration (CDTFA) estimates ongoing costs ranging from $239,000 to $463,000 annually (Cigarette and Tobacco Products Compliance Fund) to notify licensees of the vape product prohibition in this bill, seize and destroy newly prohibited vape products that do not fall under CDTFA's existing authority for flavored tobacco products, suspend or revoke licenses, and handle appeals. CDTFA notes this bill may also result in a reduction in cannabis excise tax and cigarette and tobacco product tax revenues of an unknown amount due to a reduction in available vape products and an increase in untaxed black market sales of prohibited products, a reduction in electronic cigarette excise tax and sales and use tax revenues of an unknown amount due to seizures of prohibited vape products by enforcement agencies from tobacco retailers, and a reduction in licensing fee revenues due to an unknown number of suspensions or revocations of cigarette and tobacco products licenses for noncompliance with the vape product prohibition (Cannabis Tax Fund, Cigarette and Tobacco Products Compliance Fund, Cigarette and Tobacco Products Tax Funds, General Fund, Local Revenue Fund 2011, Local Revenue Fund 1991, and Public Safety Fund).
- Forgone cannabis product license fee revenue as well as costs to the Department of Cannabis Control of an unknown but potentially significant amount (Cannabis Control Fund).
- The Department of Justice reports minor and absorbable costs.

Background:

Cannabis licensing. Federal law lists cannabis as a Schedule I controlled substance under the Controlled Substances Act, prohibiting its manufacture, possession, sale, or distribution. California voters approved Proposition 215 in 1996, protecting qualified patients and primary caregivers from prosecution for possessing or cultivating medical cannabis on a physician's recommendation. The industry remained largely unregulated at the state level until the Legislature enacted the Medical Marijuana Regulation and Safety Act in 2015. Voters then approved Proposition 64 in November 2016, legalizing commercial adult-use cannabis for adults 21 and older, and SB 94 (Committee on Budget & Fiscal Review, 2017) merged the two frameworks into the Medicinal and Adult Use Cannabis Regulation and Safety Act (MAUCRSA), consolidating licensure across more than 20 license categories. The framework is a closed system: every part of the supply chain requires licensure, commercial activity may occur only between licensees, and only licensed retailers may sell to consumers. MAUCRSA excluded industrial hemp, which generally cannot be integrated into the cannabis supply chain.

Tobacco products licensing. The Cigarette and Tobacco Products Licensing Act (AB 71, Horton, 2003) requires manufacturers, distributors, wholesalers, importers, and retailers to hold and annually renew a license, administered by CDTFA since AB 102 (Committee on Budget, 2017). Selling without a valid license, or after suspension or revocation, is a misdemeanor punishable by up to $5,000, up to one year in county jail, or both. Retailers hold one of two license types depending on whether their products are subject to the Cigarette and Tobacco Products Tax; the second covers retailers of electronic delivery devices not containing nicotine and accessories such as zero-nicotine vaporized liquids. AB 573 (Rogers) raised retailer license fees from $265 to $450 for licenses applied for on or after July 1, 2026, and allows CDTFA to raise the fee by regulation up to $600 as needed to maintain the Compliance Fund. CDTFA may suspend a license for a first violation and must revoke on a second, with at least ten days' written notice and an opportunity to appeal, and retailers may reapply six months after revocation.

License fees, penalties, and fines support CDTFA's compliance work — roughly 3,318 annual inspections across approximately 29,000 licensed retail locations — deposited into the Cigarette and Tobacco Products License Fund. CDTFA may seize unstamped cigarette packages, which are then forfeited to the state.

Flavored tobacco ban. SB 793 (Hill, 2020) banned most flavored tobacco products, including flavored e-cigarettes and menthol cigarettes, and voters upheld it through Proposition 31 (2022), with violations punishable as infractions carrying a $250 fine. Three enforcement bills followed: AB 935 (Connolly, 2024), authorizing civil penalties and requiring CDTFA to impose a $250 penalty and suspend or revoke licenses on a third, fourth, or fifth violation; AB 3218 (Wood, 2024), creating the Attorney General's Unflavored Tobacco List and authorizing seizures, $50-per-package penalties, suspension on a second violation, and revocation on a third; and SB 1230 (Rubio), providing similar seizure authority. In 2025, CDTFA performed 648 seizures of 809,513 products with a retail value of $8.5 million and expects to issue approximately $40 million in penalties.

Tobacco taxation. Cigarettes are taxed at $2.87 per pack of 20, collected through stamps distributors purchase from CDTFA. The rate combines a $0.10 base tax in place since 1967 with four dedicated measures: Proposition 99 (1988, $0.25), AB 478 (Friedman, 1993, $0.02 for breast cancer research), Proposition 10 (1998, $0.50 for First 5 programs), and Proposition 56 (2016, $2.00), which also extended the definition of tobacco products to nicotine-containing e-cigarettes and liquids. Other tobacco products are taxed at an equivalent rate set by CDTFA, currently 51.08% of wholesale cost for 2025-26. Separately, the HOPE Act (SB 395, Caballero, 2021) imposed the California Electronic Cigarette Excise Tax at 12.5% of the retail price of nicotine e-cigarettes, levied on purchasers but collected by retailers, including out-of-state sellers.

Hazardous waste regulation. DTSC oversees the state's management of hazardous waste — waste that causes or significantly contributes to increased mortality or serious illness, or poses a substantial hazard to human health or the environment when improperly managed. Common household products including batteries and electronic wastes become household hazardous waste when discarded, and cannot be placed in the trash, poured down the drain, or abandoned. Cities and counties must provide collection services, and facilities processing this waste must obtain a permit unless they accept only specified materials.

Vape products disguised as other items frustrate parents and educators, as well as local agencies responsible for disposing of them. The Rural County Representatives of California want to ban such products and erect an enforcement infrastructure, among other changes.

Proposed Law: This bill would:

1. Prohibit a person from marketing, promoting, labeling, branding, advertising, distributing, offering for sale, or selling a vape product in this state by:

    a. Imitating a product that is not a vape product to conceal its nature from parents, teachers, or other adults, including by imitating a food or brand of food product commonly marketed to minors such as candy, desserts, and beverages; imitating school supplies commonly used by minors such as erasers, highlighters, pens, and pencils; or constructing into clothing and accessories that could be marketed to minors.

    b. Including interactive videogame capabilities within a vape product.

2. Authorize a city, county, city and county, or the state to enforce that prohibition and impose civil liability of $1,000 for a first violation, $2,500 for a second, and $5,000 for a third and subsequent violations, and to impose civil liability of $50,000 per violation on a distributor, defined as any person who sells or accepts orders for prohibited products to a retailer.

    a. Require penalties collected to be paid to the office of the city attorney, city prosecutor, district attorney, or Attorney General that brought the action, with Attorney General penalties expendable upon appropriation to enforce the section.

   b. Provide that these remedies would not be exclusive and would be in addition to remedies available under the Unfair Competition Law.

3. Make a violation an infraction punishable by a fine of not more than $500.

4. Authorize an enforcement agency that discovers a tobacco retailer or its agents or employees selling, offering for sale, or possessing with intent to sell a prohibited vape product to seize that product at the retail location or any other person's location, and deem the product forfeited subject to existing forfeiture procedures.

5. Extend CDTFA's existing flavored tobacco enforcement structure to vape products prohibited under the new section, including seizure at retail or other locations, forfeiture, a $50 civil penalty per individual package, license suspension on a second seizure and forfeiture, and license revocation on a third, and define "vape product" by reference to "electronic cigarette" in Revenue and Taxation Code §30121.

6. Authorize inspections at any place where evidence of a violation of the new section may be discovered, alongside the existing authority for Health and Safety Code §§104559.1 and 104559.5.

7. Establish parameters for household hazardous waste collection facilities determining how many vape pens and devices may be accepted from a very small quantity generator (VSQG) without exceeding existing weight limits, providing that:

   1. A facility may rely on U.S. EPA guidance entitled "How to Safely Dispose of E-Cigarettes: Information for Schools and Small Businesses" unless DTSC withdraws or replaces that guidance or issues its own.

   2. For the extremely hazardous waste threshold, nonacutely hazardous waste may be counted separately from acutely hazardous waste contained in the devices.

   3. The amount of acutely hazardous waste in a vape pen and device is presumed not to exceed the maximum capacity of its cartridge, unless a VSQG or facility determines otherwise.

8. Authorize a public agency, contractor of a public agency, or registered hazardous waste transporter to transport vape pens and devices confiscated from students, pursuant to an agreement between the school and a local household hazardous waste collection facility, in containers clearly bearing the school's EPA identification number and subject to existing quantity limits.

9. Authorize a permanent household hazardous waste collection facility, after consultation with the certified unified program agency (CUPA) and local fire authority, to mechanically disassemble vape pens and devices to separate batteries, valves, electronic components, and other parts containing liquids or gases without unauthorized release of hazardous materials, provided the

activities are described in the facility's operation plan and included in a permit-by-rule application, and personnel receive adequate training.

10. Require DTSC to evaluate opportunities to increase safety and convenience in managing and disposing of vape pens and devices confiscated from students, ensure consistency with the federal Resource Conservation and Recovery Act, and identify recommendations requiring future legislative action, with the section repealed January 1, 2030.

11. Provide that no state reimbursement is required.

Related Legislation:

AB 762 (Irwin, 2026) would ban the use of disposable, battery-embedded vapor inhalation devices.

SB 1124 (Archuleta, 2026) would require the CDPH to develop signage for lung cancer screening and would require licensed tobacco retailers to display the signage or be subject to a civil penalty.

SB 1314 (Menjivar, 2026) would enact the Youth Over Smoke Act, limiting the location and operation of smoke shops, as defined.

Staff Comments: DTSC received $3.1 million and 9 positions in 2026-27 for Safer Consumer Products mandates under AB 347, AB 2515, and SB 1266, plus $216,000 and 1 position from the Covered Battery Recycling Fund for AB 2440 administration — but nothing for household hazardous waste program work of the kind this bill would add. And the Legislature preserved 75.1 vacant FTEs and $10.6 million in special funds at DTSC by rejecting the Governor's vacancy eliminations, which bears on whether the evaluation could be absorbed.

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