

CONCURRENCE IN SENATE AMENDMENTS

AB 8 (Aguiar-Curry)

As Amended September 5, 2025

2/3 vote

**SUMMARY**

Beginning January 1, 2028, requires products containing concentrated cannabinoids other than cannabidiol (CBD) isolate that are derived from industrial hemp to comply with provisions of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA); establishes a framework for industrial hemp to enter the licensed cannabis market; revises various definitions for purposes of MAUCRSA and other state cannabis laws; prohibits the sale of synthetic cannabis products and inhalable cannabis products containing cannabinoids derived from hemp; places restrictions on the incorporation of industrial hemp raw extract into food and beverage products; and expands the authority for state and local enforcement agencies to inspect, seize, and destroy unlawful cannabis products.

**Senate Amendments**

- 1) Remove language in the bill that would have repealed the requirement for the California Department of Tax and Fee Administration (CDTFA) to increase the cannabis excise tax to replace revenue lost due to the suspension of the cannabis cultivation tax.
- 2) Make modifications to the definitions contained in the bill and align those definitions with the Uniform Controlled Substances Act.
- 3) Allows for topical cosmetics containing a tetrahydrocannabinol (THC) concentration of not more than an amount determined by the California Department of Public Health (CDPH) in regulation, not to exceed 0.3% total THC, to remain within the definition of industrial hemp products.
- 4) Expressly provide that a dietary supplement, food, or beverage, is not adulterated for purposes of the Sherman Food, Drug, and Cosmetic Law by the inclusion of CBD or CBD isolate derived from industrial hemp so long as it does not contain any other cannabinoid or synthetic cannabinoid.
- 5) Prohibit any form of THC or synthetic cannabinoid in CBD isolate.
- 6) Define "CBN isolate" as a compound extracted from cannabis or industrial hemp with a purity level greater than 99% containing no form of THC or synthetic cannabinoid.
- 7) Clarify that industrial hemp or cannabis products derived exclusively from industrial hemp may be shipped through California without entering the licensed market, provided they are not sold in California, or shipped out of California by a licensee.
- 8) Provide that until January 1, 2028, licensed cannabis manufacturers shall only use cannabinoid concentrates and extracts that are manufactured or processed exclusively from cannabis obtained from a licensed cannabis cultivator and shall not possess, transport, distribute, manufacture, or sell industrial hemp on or from a licensed premises, except that a licensed testing laboratory may test industrial hemp.

- 9) Declare that MAUCRSA does not permit the introduction into the licensed market of cannabis concentrate or cannabis products derived in whole or in part from industrial hemp that have been manufactured without a cannabis manufacturing license.
- 10) Expressly prohibit the employment of a minor to sell, transport or otherwise distribute cannabis or cannabis products.
- 11) Provide that it is the distributor who is responsible for holding industrial hemp in quarantine upon entry into the licensed cannabis market and requires quarantined plant material that is determined not to be industrial hemp to be destroyed.
- 12) Replace provisions of MAUCRSA specifying data points for stages of commercial cannabis activity with a more general requirement that the system capture data and track movement of cannabis through the commercial supply chain from cultivation to sale.
- 13) Add the destruction of any cannabis, industrial hemp, or cannabis product to the information that must be captured by the state's track-and-trace system.
- 14) Authorize the CDTFA to adopt emergency regulations to implement the bill.
- 15) Add language to resolve potential chaptering conflicts and make other technical and nonsubstantive changes.

## COMMENTS

*Cannabis versus Hemp.* Botanically speaking, both industrial hemp and what has historically been referred to as marijuana are members of the same plant species, *Cannabis sativa*. Under California law, the term "cannabis" typically refers to varieties of the species that contain sufficient levels of the cannabinoid THC to produce an intoxicating psychoactive effect, or "high"; this plant and its associated products are regulated by the Department of Cannabis Control (DCC) under MAUCRSA. Hemp, meanwhile, is commonly regarded more as an agricultural plant and has historically been used for products such as paper, textiles, cosmetics, and fabric. California law requires industrial hemp to contain less than 0.3% THC, which is considered trace amounts compared to psychoactive cannabis (which frequently contains between 15-40% THC). Hemp is regulated by the CDFA for agricultural purposes, and by the CDPH when it is used in food, beverage, and cosmetic products.

*Regulation of Cannabis.* Consumption of cannabis was first made lawful in California in 1996 when voters approved Proposition 215, the Compassionate Use Act, which protected qualified patients and caregivers from prosecution relating to the possession and cultivation of cannabis for medicinal purposes, if recommended by a physician. This regulatory scheme was further refined by SB 420 (Vasconcellos) in 2003, which established the state's Medical Marijuana Program. After several prior attempts to improve the state's regulation of cannabis, the Legislature passed the Medical Marijuana Regulation and Safety Act—subsequently retitled the Medical Cannabis Regulation and Safety Act (MCRSA)—in 2015. MCRSA established, for the first time, a comprehensive statewide licensing and regulatory framework for the cultivation, manufacture, transportation, testing, distribution, and sale of medicinal cannabis. Not long after the Legislature enacted MCRSA, California voters passed Proposition 64, the Adult Use of Marijuana Act (AUMA), which legalized cannabis for non-medicinal adult use in a private home or licensed business and allowed adults to possess and cultivate cannabis for personal use.

In the spring of 2017, SB 94 (Committee on Budget and Fiscal Review) was passed to reconcile the distinct systems for the regulation, licensing, and enforcement of legal cannabis. The single consolidated system established by the bill—known as the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA)—created a unified series of cannabis laws. On January 16, 2019, the state's three cannabis licensing authorities—the Bureau of Cannabis Control, the California Department of Food and Agriculture, and the California Department of Public Health—officially announced that the Office of Administrative Law had approved final cannabis regulations promulgated by the three agencies respectively. In 2021, the three licensing authorities were consolidated into the DCC, a single entity responsible for administering and enforcing the majority of MAUCRSA. New regulations went into effect on January 1, 2023 to effectuate the consolidation and make other changes to cannabis regulation.

*Regulation of Hemp.* The U.S. Agriculture Improvement Act of 2018 (known as the Farm Bill) federally legalized the growing, cultivating, and the transporting of industrial hemp between states. However, the Farm Bill resulted in CBD containing products that have been approved by the FDA to be removed from the list of Schedule I substances under the CSA and reclassified as a Schedule V drug. This policy was enacted because of the findings that it does not contain any psychoactive or addictive properties and has a very low abuse potential. This separates industrial hemp from marijuana specific cannabis products, which remains a Schedule I drug on the federal level. The Farm Bill also classifies CBD as a food product. Importantly, the Farm Bill also requires states to devise their own sale restrictions and regulations, of which the U.S. Department of Agriculture (USDA) is responsible for overseeing.

In 2021, AB 45 (Aguiar-Curry) was enacted to significantly expand and clarify the framework under which CBD derived from industrial hemp can be used in food, beverages and dietary supplements. The bill revised or added various definitions relating to hemp products and placed new requirements on hemp manufacturers in exchange for more explicit authority to produce manufactured goods containing CBD derived from hemp. In doing so, the bill expressly specified that foods, beverages, dietary supplements, cosmetics, and pet food are not adulterated by the inclusion of industrial hemp cannabinoids.

*Integration of Cannabis and Hemp.* 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* 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."

*Intoxicating Hemp.* Concerns have grown over the past several years regarding the perceived proliferation of intoxicating hemp products. In February 2025, a white paper titled *The Great Hemp Hoax*, discussed findings that out of more than 100 intoxicating hemp products from 68 brands available to California consumers through online purchases, 95 percent contained

synthetic cannabinoids prohibited under California law. Additionally, over 88 percent 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.

*Prior Efforts to Integrate and Regulate Hemp Products.* Following several years of unsuccessful legislative efforts to determine how California might integrate industrial hemp into the supply chain for cannabis, Governor Gavin Newsom announced in late 2024 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.

*Regulating Products with Hemp-Derived Cannabinoids.* This bill, which represents the author's sixth of leading efforts to strengthen California laws governing the cultivation, manufacturing, and sale of hemp products, would build on the state's current 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 would expand the definition of "cannabis products" in the Uniform Controlled Substances Act, and align 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 bill, 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.

Once that classification occurs, cannabis products derived from industrial hemp would be 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 could 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. This bill would also subject cannabis products derived from industrial hemp to the 15% 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, this bill would make 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 would 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 will only be allowed to use cannabinoid concentrates and extracts that were manufactured or processed exclusively from cannabis obtained from a licensed cannabis cultivator and will not be 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. Once implemented, this bill has the potential to resolve years of issues surrounding how to safely and effectively regulate hemp products in California.

### **According to the Author**

"Since the federal Farm Bill legalized industrial hemp in 2018, hemp-derived products containing cannabidiol (CBD) and other cannabinoids have become widely available in grocery stores, fitness centers, and other retail locations. In 2021, I authored AB 45 (Aguiar-Curry, Chapter 457, Statutes of 2021) to establish the nation's strongest safety and testing standards for hemp products while preserving access to CBD, because it is a non-intoxicating compound used to manage epilepsy, anxiety, chronic pain, and other health concerns. However, limited enforcement and rapidly evolving industry practices have led to a surge in intoxicating hemp products that are easily accessible to consumers—including youth—in everyday retail settings, posing public health risks and undermining California's regulated hemp and cannabis markets. This bill will 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."

### **Arguments in Support**

The *California Cannabis Operators Association* (CaCOA) is sponsoring this bill. CaCOA argues that the bill would "fulfill a long-standing commitment to integrate hemp cannabinoids into the regulated cannabis supply chain. Specifically, AB 8 enhances enforcement by addressing the public health threat posed by unregulated, high-potency intoxicating hemp products - which can be easily purchased online and found in gas stations, liquor stores and vape shops. These products blatantly subvert California's rigorous cannabis laws and taxation framework, creating confusion for consumers and unfair competition for compliant businesses. At the same time, AB 8 provides a path for legal cannabis manufacturers to incorporate hemp cannabinoids—bringing California in line with 17 other states."

### **Arguments in Opposition**

*Hermosa Coalition for Drug-Free Kids* opposes this bill, writing: "Even though amendments to section 34011.2 have been made, Hermosa Coalition for Drug-Free Kids is still in opposition to AB 8. When we voted for Prop 64, we never voted to legalize intoxicating hemp. We are also opposed to integration because the data on the harms of these products are only continuing. Additionally, California's legal cannabis industry is very poorly regulated. How on earth can it handle hemp? THC is THC. Whether it's from marijuana or hemp, it is wreaking all kinds of public health harm."

## **FISCAL COMMENTS**

According to the Senate Committee on Appropriations, the DCC reports implementation costs of approximately \$2.5 million in Fiscal Year (FY) 2026-27, and ongoing annual costs beginning in FY 2026-27 of approximately \$5.8 million; unknown potentially significant administrative costs, ranging in the low millions of dollars, to the CDTFA; unknown fiscal impact, potentially ranging into the hundreds of thousands of dollars, to the CDPH to develop regulations regarding topical skin products; the Department of Pesticide Regulation reports annual ongoing costs of \$221,000 for the development of guidelines for industrial hemp; unknown, potentially significant cost pressures to the state funded trial court system to adjudicate alleged violations of this measure; and unknown, potentially significant costs to the counties to incarcerate people for the crimes created by this bill.

**VOTES:**

**ASM BUSINESS AND PROFESSIONS: 17-0-1**

**YES:** Berman, Flora, Ahrens, Alanis, Bains, Bauer-Kahan, Caloza, Chen, Elhawary, Haney, Irwin, Jackson, Krell, Lowenthal, Macedo, Nguyen, Pellerin

**ABS, ABST OR NV:** Hadwick

**ASM REVENUE AND TAXATION: 6-1-0**

**YES:** Gipson, Ta, Bains, Garcia, McKinnor, Quirk-Silva

**NO:** DeMaio

**ASM APPROPRIATIONS: 11-0-4**

**YES:** Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache

**ABS, ABST OR NV:** Sanchez, Dixon, Ta, Tangipa

**ASSEMBLY FLOOR: 73-1-5**

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

**NO:** DeMaio

**ABS, ABST OR NV:** Bonta, Gallagher, Hadwick, Hart, Ta

**UPDATED**

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