SENATE COMMITTEE ON PUBLIC SAFETY

Senator Jesse Arreguín, Chair
2025 - 2026 Regular

Bill No:	SB 1306	**Hearing Date:**	April 14, 2026
Author:	Cortese		
Version:	February 20, 2026		
Urgency:	No	**Fiscal:**	Yes
Consultant:	ML		

Subject: ***Controlled substances: gamma-butyrolactone***

HISTORY

Source: SEMI

Prior Legislation: AB 1021 (Wicks), Ch. 274, Stats. of 2023
AB 527 (Wood), Ch. 618, Stats. of 2021
AB 710 (Wood), Ch. 62, Stats. of 2018

Support: Bay Area Council; Silicon Valley Leadership Group; Society of Women Engineers at UCLA; Technet

Opposition: None known

PURPOSE

The purpose of this bill is to exempt chemical mixtures containing 70 percent or less of gamma-butyrolactone (GBL) from specified requirements of the Uniform Controlled Substances Act.

Existing law, the Uniform Controlled Substances Act, regulates the manufacture, sale, and distribution of specified chemical substances. (Health & Saf. Code, § 11000, et seq.)

Existing law requires that any manufacturer, wholesaler, retailer, or other person or entity in this state that sells, transfers, or otherwise furnishes specified controlled substances, including gamma-butyrolactone, to any person or entity in California or any other state shall submit a report to the Department of Justice (DOJ) of all of those transactions. (Health & Saf. Code, § 11100, subd. (a).)

Existing law requires that any manufacturer, wholesaler, retailer, or other person or entity in this state, prior to selling, transferring, or otherwise furnishing specified controlled substances, including gamma-butyrolactone, to any person or business entity in this state or any other state, shall require (i) a letter of authorization from that person or business entity that includes the currently valid business license number or federal Drug Enforcement Administration (DEA) registration number, the address of the business, and a full description of how the substance is to be used, and (ii) proper identification from the purchaser. Provides that the wholesaler, retailer, or other person or entity in this state shall retain this information in a readily available manner for three years. (Health & Saf. Code, § 11100, subd. (c)(1)(a).)

Existing law requires that any manufacturer, wholesaler, retailer, or other person or entity in this state that exports specified controlled substances, including gamma-butyrolactone, to any person or business entity located in a foreign country shall, on or before the date of exportation, submit to the DOJ a notification of that transaction, which notification shall include the name and quantity of the substance to be exported and the name, address, and, if assigned by the foreign country or subdivision thereof, business identification number of the person or business entity located in a foreign country importing the substance. (Health & Saf. Code, § 11100, subd. (c)(2)(A).)

Existing law permits that the DOJ may authorize the submission of the notification on a monthly basis with respect to repeated, regular transactions between an exporter and an importer involving specified controlled substances, including gamma-butyrolactone, if the DOJ determines that a pattern of regular supply of the substance exists between the exporter and importer and that the importer has established a record of utilization of the substance for lawful purposes. (Health & Saf. Code, § 11100, subd. (c)(2)(B).)

Existing law requires any manufacturer, wholesaler, retailer, or other person or entity in this state that sells, transfers, or otherwise furnishes specified controlled substances, including gamma-butyrolactone, to a person or business entity in this state or any other state shall, not less than 21 days prior to delivery of the substance, submit a report of the transaction to the DOJ. Allows that the DOJ may authorize the submission of the reports on a monthly basis with respect to repeated, regular transactions between the furnisher and the recipient involving the substance if the DOJ determines that a pattern of regular supply of the substance exists between the manufacturer, wholesaler, retailer, or other person or entity that sells, transfers, or otherwise furnishes the substance and the recipient of the substance, and the recipient has established a record of utilization of the substance for lawful purposes. (Health & Saf. Code, § 11100, subd. (d)(1).)

Existing law provides that any person specified above who does not submit a report as required by that subdivision or who knowingly submits a report with false or fictitious information shall be punished by imprisonment in a county jail not exceeding six months, by a fine not exceeding $5,000, or by both the fine and imprisonment. Provides that any person specified above who has previously been convicted of a violation of the above offense shall, upon a subsequent conviction thereof, be punished by imprisonment in the county jail for a realigned felony, or by imprisonment in a county jail not exceeding one year, by a fine not exceeding $100,000, or by both the fine and imprisonment. (Health & Saf. Code, § 11100, subds. (f)(1)-(2).)

Existing law requires that any manufacturer, wholesaler, retailer, or other person or entity in California that obtains specified controlled substances, including gamma-butyrolactone, from a source outside of this state shall submit a report of that transaction to the DOJ 21 days in advance of obtaining the substance. Allows that the DOJ may authorize the submission of reports within 72 hours, or within a timeframe and in a manner acceptable to the DOJ, after the actual physical obtaining of the substance, with respect to repeated transactions between a furnisher and an obtainer of the substance if the DOJ determines that the obtainer has established a record of utilization of the substance for lawful purposes. Exempts from these requirements any person whose prescribing or dispensing activities are subject to the reporting requirements set forth in Section 11164; any manufacturer or wholesaler who is licensed by the California State Board of Pharmacy and also registered with the federal DEA of the U.S. DOJ; any analytical research facility that is registered with the federal DEA of the U.S. DOJ; or any state-licensed health care facility. (Health & Saf. Code, § 11100.1, subd. (a).)

Existing law provides that any person who does not submit a report as required by the above paragraph shall be punished by imprisonment in a county jail not exceeding six months, by a fine not exceeding $5,000, or by both that fine and imprisonment. Provides that any person specified in the above paragraph who has been previously convicted of a violation of the above paragraph subsequently does not submit a report as required by the above paragraph shall be punished by imprisonment in the county jail for a realigned felony, or by imprisonment in a county jail not exceeding one year, by a fine not exceeding 100,000, or by both that fine and imprisonment. (Health & Saf. Code, § 11100.1, subds. (b)(1)-(2).)

Existing law requires that the theft or loss of any substance regulated by the provisions above discovered by any permittee or any person regulated by the provisions of this chapter shall be reported in writing to the DOJ within three days after the discovery. Requires that any difference between the quantity of the substance received and the quantity shipped shall be reported in writing to the DOJ within three days of the receipt of actual knowledge of the discrepancy. Requires that any report made pursuant to this section shall also include the name of the common carrier or person who transports the substance and date of shipment of the substance. (Health & Saf. Code, § 11103.)

Existing law requires that any manufacturer, wholesaler, retailer, or any other person or entity in California that sells, transfers, or otherwise furnishes specified controlled substances, including gamma-butyrolactone, to a person or business entity in this state or any other state or who obtains the substance from a source outside of the state shall submit an application to, and obtain a permit for the conduct of that business from, the DOJ. Provides that an intracompany transfer does not require a permit if the transferor is a permittee. Provides that transfers between company partners or between a company and an analytical laboratory do not require a permit if the transferor is a permittee and a report as to the nature and extent of the transfer is made to the DOJ pursuant to the provisions above. (Health & Saf. Code, § 11106, subds. (a)(1)(A)-(B).)

Existing law exempts from the above requirements any manufacturer, wholesaler, or wholesale distributor who is licensed by the California State Board of Pharmacy and also registered with the federal DEA of the U.S. DOJ; any pharmacist or other authorized person who sells or furnishes specified controlled substances, including gamma-butyrolactone, upon the prescription of a physician, dentist, podiatrist, or veterinarian; any state-licensed health care facility, physician, dentist, podiatrist, veterinarian, or veterinary food-animal drug retailer licensed by the California State Board of Pharmacy that administers or furnishes the substance to a patient; or any analytical research facility that is registered with the federal DEA of the U.S. DOJ. (Health & Saf. Code, § 11106, subd. (a)(1)(C).)

Existing law requires that the DOJ provide application forms, which are to be completed under penalty of perjury, in order to obtain information relating to the identity of any applicant applying for a permit, including, but not limited to, the business name of the applicant or the individual name, and if a corporate entity, the names of its board of directors, the business in which the applicant is engaged, the business address of the applicant, a full description of any specified controlled substances to be sold, transferred, or otherwise furnished or to be obtained, the specific purpose for the use, sale, or transfer of the substance, the training, experience, or education relating to this use, and any additional information requested by the DOJ relating to possible grounds for denial as set forth in this section, or by applicable regulations adopted by the DOJ. (Health & Saf. Code, § 11106, subds. (b)(1)-(2).)

Existing law requires that applicants and permittees authorize the DOJ, or any of its duly authorized representatives, as a condition of being permitted, to make any examination of the books and records of any applicant, permittee, or other person, or visit and inspect the business premises of any applicant or permittee during normal business hours, as deemed necessary to enforce these provisions. (Health & Saf. Code, § 11106, subd. (c).)

Existing law allows that an application may be denied, or a permit may be revoked or suspended, for reasons that include, but are not limited to, the following:

- Materially falsifying an application for a permit or an application for the renewal of a permit.
- If any individual owner, manager, agent, representative, or employee for the applicant who has direct access, management, or control of specified controlled substances, including gamma-butyrolactone, is or has been convicted of a misdemeanor or felony relating to a specified controlled substance, any misdemeanor drug-related offense, or any felony under the laws of this state or the U.S..
- Failure to maintain effective controls against the diversion of precursors to unauthorized persons or entities.
- Failure to comply with this article or any regulations of the DOJ adopted thereunder.
- Failure to provide the DOJ, or any duly authorized federal or state official, with access to any place for which a permit has been issued, or for which an application for a permit has been submitted, in the course of conducting a site investigation, inspection, or audit; or failure to promptly produce for the official conducting the site investigation, inspection, or audit any book, record, or document requested by the official.
- Failure to provide adequate documentation of a legitimate business purpose involving the applicant's or permittee's use of the specified controlled substances.
- Commission of any act which would demonstrate actual or potential unfitness to hold a permit in light of the public safety and welfare, which act is substantially related to the qualifications, functions, or duties of a permitholder.
- If any individual owner, manager, agent, representative, or employee for the applicant who has direct access, management, or control for the specified controlled substance violates or has been convicted of violating, any federal, state, or local criminal statute, rule, or ordinance regulating the manufacture, maintenance, disposal, sale, transfer, or furnishing of any of the substance. (Health & Saf. Code, § 11106, subd. (d).)

Existing law requires that an applicant pay at the time of filing an application for a permit a fee determined by the DOJ which shall not exceed the application processing costs of the Department. (Health & Saf. Code, § 11106, subd. (h).)

Existing law provides that a permit granted pursuant to this article may be renewed one year from the date of issuance, and annually thereafter, following the timely filing of a complete renewal application with all supporting documents, the payment of a permit renewal fee not to exceed the application processing costs of the DOJ, and a review of the application by the Department. (Health & Saf. Code, § 11106, subd. (i).)

Existing law provides that selling, transferring, or otherwise furnishing or obtaining specified controlled substances, including gamma-butyrolactone, without a permit is a misdemeanor or a felony. (Health & Saf. Code, § 11106, subd. (j).)

Existing law provides that an applicant, or an applicant's employees who have direct access, management, or control of specified controlled substances, including gamma-butyrolactone, for an initial permit shall submit with the application one set of 10-print fingerprints for each individual acting in the capacity of an owner, manager, agent, or representative for the applicant, unless the applicant's employees are exempted from this requirement by the DOJ. Provides that these exemptions may be obtained only upon the written request of the applicant. (Health & Saf. Code, § 11106, subd. (l)(1).)

Existing law requires that any manufacturer, wholesaler, retailer, or other person or entity in this state that sells to any person or entity in this state or any other state, any laboratory glassware or apparatus, any chemical reagent or solvent, or any combination thereof, where the value of the goods sold in the transaction exceeds one hundred dollars ($100) must prepare a bill of sale which identifies the date of sale, cost of product, method of payment, specific items and quantities purchased, and the proper purchaser identification information, all of which shall be entered onto the bill of sale or a legible copy of the bill of sale, and shall also affix on the bill of sale his or her signature as witness to the purchase and identification of the purchaser. Requires that the seller retain the original bill of sale containing the purchaser identification information for five years in a readily presentable manner, and present the bill of sale containing the purchaser identification information upon demand by any law enforcement officer or authorized representative of the Attorney General. (Health & Saf. Code, § 11106, subd. (a)(1)-(2).)

Existing federal law defines gamma-butyrolactone as a List I Chemical of the Controlled Substances Act. (21 U.S.C., § 802, subd. (34)(X).)

Existing federal law exempts chemical mixtures containing gamma-butyrolactone at concentrations of 70 percent or less by weight or volume from specified Controlled Substances Act requirements. (21 C.F.R., § 1310.12 (2010).)

This bill makes findings and declarations that semiconductors are foundational to California's economy, that current regulations regarding the manufacture of GBL are a burden on manufacturers, that the federal government has exempted certain chemical mixtures of GBL from similar federal requirements, and that other states have less restrictive regulatory requirements

This bill exempts chemical mixtures containing GBL from the provisions of the Uniform Controlled Substance Act that impose the reporting, permitting, and other regulatory requirements described above.

This bill defines "chemical mixtures containing GBL" to mean two or more chemical substances, one of which is GBL (CAS no. 96-48-0) in a concentration of 70 percent or less by weight or volume, and at least one other substance that is not solely an inert carrier or an impurity.

This bill defines "Inert carrier" to mean "a chemical that does not interfere with the function of gamma-butyrolactone (CAS no. 96-48-0) in the mixture but is present to aid in its delivery so it can be used in a chemical process."

COMMENTS

1. Need For This Bill

The author writes:

> SB 1306 brings California into alignment with federal law by exempting chemical mixtures containing 70 percent or less GBL when regulatory requirements would apply solely due to the presence of GBL. This bill does not change existing requirements related to the purchase, storage, or use of pure GBL. In 2010, under the Obama Administration, the U.S. DEA (DEA) adopted regulations exempting chemical mixtures containing GBL at concentrations of 70 percent or less by weight or volume from Controlled Substances Act requirements. Through that rulemaking, the DEA determined that the 70 percent threshold was an appropriate level because such mixtures did not present a significant risk of diversion. Mirroring that policy on the state level will help reduce operational disruptions, support in-state R&D, and strengthen California's role as a global leader in high-technology innovation.

2. Background

Gamma-butyrolactone (GBL) is an industrial solvent that also can be used to manufacture gamma hydroxybutyric acid (GHB), a central nervous system depressant. GBL is regulated under California's Uniform Controlled Substance Act (UCSA), meaning that manufacturers of GBL must comply with various reporting and regulatory requirements.[1] These requirements include permitting, reporting, recordkeeping, and 21-day transaction holds, the violation of which constitutes a misdemeanor.[2]

GBL can dissolve substances that otherwise are difficult to dissolve and can maintain those substances in a dissolved state. Proponents of the bill say this solvent is uniquely useful for formulations known as "photoresists." Photoresists are chemical mixtures used in photolithography, a critical step in the manufacture of semiconductor chips. These photoresists contain other substances that are key to the functionality of the overall mixtures but that in the absence of GBL are virtually impossible to maintain in the dissolved state necessary for that functionality. Accordingly, proponents say there is no feasible alternative to GBL in these photoresists.

GBL is also regulated as a List I chemical under the federal Controlled Substances Act, which is administered and enforced by the DEA.[3] However, in 2010, under the Obama Administration, the U.S. DEA adopted regulations exempting chemical mixtures containing GBL at concentrations of 70 percent or less by weight or volume from specified Controlled Substances Act requirements.[4] Based on the extremely low risk of diversion into GHB, in 2010 the DEA exempted the following two categories of GBL mixtures from the federal law's requirements: (1) mixtures containing 70% or less GBL; and (2) completely formulated coatings.

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[1] Health and Saf. Code, § 11100 (a)(34).
[2] Health and Saf. Code, §§ 11100, subds. (f)(1)-(2), 11100.1, subds. (b)(1)-(2). See the existing law section of this analysis, above, for details regarding these requirements.
[3] 21 U.S.C. § 802, subd. (34)(X).
[4] 21 C.F.R. § 1310.12 (2010).

Because California has not adopted the same exemption as the federal DEA, it has left suppliers serving the semiconductor industry subject to the significant regulatory requirements described above, despite the low risk of diversion into GHB. Proponents of the bill claim these requirements create substantial operational delays for materials providers and semiconductor customers.

3. Effect of This Bill

This bill exempts certain chemical mixtures containing GBL from the regulatory requirements of the UCSA, such as the permitting, reporting, recordkeeping, and 21-day transaction holds described above. In particular, the bill exempts chemical mixtures that are "two or more chemical substances, one of which is gamma-butyrolactone in a concentration of 70 percent or less by weight or volume, and at least one other substance that is not solely an inert carrier or an impurity." The bill defines "inert carrier" to mean "a chemical that does not interfere with the function of gamma-butyrolactone in the mixture but is present to aid in its delivery so it can be used in a chemical process." This language regarding inert carriers was added at the request of the DOJ to ensure that any mixture of GBL covered by this bill has a sufficiently low risk of diversion into GHB.

This bill would align California policy with that of federal policy.

4. Argument in Support

SEMI writes:

> The California Uniform Controlled Substances Act regulates pure gamma-butyrolactone (GBL), as well as chemical mixtures containing GBL, the latter of which are used in semiconductor photoresists. In 2010, the U.S. DEA determined that chemical mixtures containing 70 percent or less GBL do not present a significant risk of diversion (specifically, as a precursor of GHB, a nervous system depressant) and thus exempted those mixtures from specified federal Controlled Substances Act requirements. California has not adopted a comparable exemption, leaving semiconductor materials suppliers subject to burdensome and costly permitting, extensive reporting and recordkeeping requirements, and 21-day transaction holds that create unnecessary operational delays.
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> This regulatory misalignment directly impacts California's semiconductor ecosystem, including research, design, and specialty materials manufacturing concentrated in Silicon Valley and supporting chip production nationwide. Semiconductor chips power essential technologies across healthcare, transportation, energy infrastructure, and communications. California leads the nation in semiconductor R&D, and the sector contributes more than $100 billion annually to the state's economy. Ensuring reliable access to critical manufacturing inputs is essential to maintaining this leadership.
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> SB 1306 narrowly exempts chemical mixtures containing 70 percent or less GBL when regulatory requirements would apply solely due to the presence of GBL, while preserving existing controls on pure GBL. By aligning state policy with federal standards, this bill reduces unnecessary disruptions without compromising public safety.

-- END --