

ASSEMBLY BILL

No. 1656

Introduced by Assembly Member Aguiar-Curry

January 14, 2022

An act to add Section 26003 to the Business and Professions Code, relating to cannabis.

LEGISLATIVE COUNSEL'S DIGEST

AB 1656, as introduced, Aguiar-Curry. Cannabis: industrial hemp.

The Control, Regulate and Tax Adult Use of Marijuana Act of 2016 (AUMA), an initiative measure approved as Proposition 64 at the November 8, 2016, statewide general election, authorizes a person who obtains a state license under AUMA to engage in commercial adult-use cannabis activity pursuant to that license and applicable local ordinances. The Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), among other things, consolidates the licensure and regulation of commercial medicinal and adult-use cannabis activities and requires the Department of Cannabis Control to administer its provisions.

Existing law governs the cultivation of industrial hemp in this state and establishes a registration program administered by county agricultural commissioners and the Department of Food and Agriculture for growers of industrial hemp, hemp breeders, and established agricultural research institutions, as defined.

Existing law also requires hemp manufacturers who produce specified products that include industrial hemp or who produce raw hemp extract, as defined, to complete a registration process, under the State Department of Public Health, and to meet various requirements for testing and labeling on products.

Existing law exempts industrial hemp, as defined, from the definition of cannabis and from MAUCRSA, but requires the Department of Cannabis Control to prepare a report, on or before July 1, 2022, to the Governor and the Legislature outlining the steps necessary to allow for the incorporation of hemp cannabinoids into the cannabis supply chain.

This bill would state that MAUCRSA does not prohibit a licensee from manufacturing, distributing, or selling products that contain industrial hemp or cannabinoids, extracts, or derivatives from industrial hemp, if the product complies with all applicable state laws and regulations.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares that the
2 legal cannabis industry faces challenges from a thriving illicit
3 cannabis marketplace.

4 (b) It is the intent of the Legislature to enhance the viability of
5 cannabis licensees in the marketplace by pursuing measures to
6 relieve tax and regulatory requirements, and to authorize licensees
7 to manufacture, distribute, and sell hemp and cannabidiol (CBD)
8 products in compliance with current law.

9 SEC. 2. Section 26003 is added to the Business and Professions
10 Code, to read:

11 26003. This division does not prohibit a licensee from
12 manufacturing, distributing, or selling products that contain
13 industrial hemp, as defined in Section 11018.5 of the Health and
14 Safety Code, or cannabinoids, extracts, or derivatives from
15 industrial hemp, if the product complies with all applicable state
16 laws and regulations, including Division 24 (commencing with
17 Section 81000) of the Food and Agricultural Code or Chapter 9
18 (commencing with Section 111920) of Part 5 of Division 104 of
19 the Health and Safety Code, as applicable.