



Executive Summary	2
Beginning January 1, 2026: Enhanced Enforcement Framework	3
Civil Penalties & Retail Enforcement	3
Expanded State & Local Enforcement Authority	5
Related Enforcement Agencies: ABC	6
Synthetic Cannabinoids	7
Enforcement Continues & Integration Begins (2026 → 2028)	7
Beginning January 1, 2028: Hemp Integration & Tax Alignment	8
Updated Definitions & Statutory Alignment	9
Pre-Integration Restrictions (Through December 31, 2027)	10
Integration Framework (Effective January 1, 2028)	11
Testing, Track-and-Trace & Distribution Standards	11
Retail, Product Restrictions & Permissible Sales	12
Cultivation & Pesticide Restrictions	12
Branding & Appellations of Origin	12
Import & Export Authority	12
CBD & CBN Isolates	13
Permissible THC Products Under Sherman	13

Executive Summary

On October 2, 2025, Governor Gavin Newsom signed Assembly Bill 8 (Aguiar-Curry), a landmark measure, proudly sponsored by the California Cannabis Operators Association, that strengthens state and local enforcement against unregulated intoxicating hemp products while creating a clear, lawful pathway for integration of industrial hemp into California's regulated cannabis marketplace.

The governor emphasized that "California's nation-leading cannabis framework protects consumers and ensures products are tested and safe. AB 8 strengthens those protections and permanently closes loopholes that have allowed unregulated intoxicating hemp products to reach kids and the broader public."

Authored by Assembly Majority Leader Cecilia Aguiar-Curry (D-Winters), AB 8 was developed in collaboration with state regulatory agencies, public health advocates, and licensed operators to protect consumers, preserve youth access restrictions, and ensure parity between the cannabis and hemp industries.

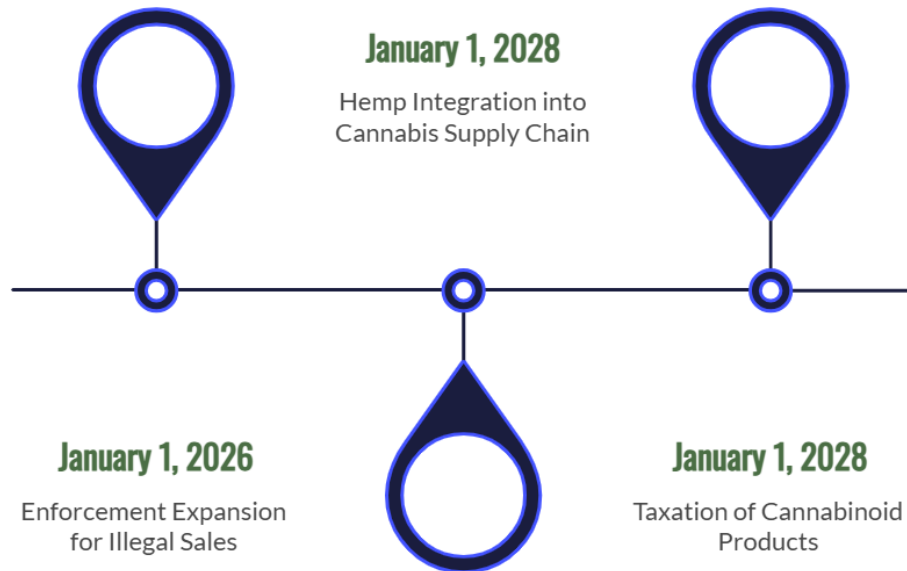
"This bill ensures all intoxicating cannabinoids are regulated responsibly and that California consumers can trust the safety and integrity of the products they purchase."

Assembly Majority Leader Cecilia Aguiar-Curry

The measure establishes a three-part framework:

1. *Enforcement (Effective January 1, 2026)*: Expands inspection, seizure, and penalty authority for the Department of Cannabis Control (DCC), California Department of Public Health (CDPH), California Department of Tax and Fee Administration (CDTFA), and local agencies to curb illegal sales of intoxicating hemp and unlicensed cannabis.
2. *Hemp Integration (Effective January 1, 2028)*: Transitions industrial hemp biomass into the licensed cannabis supply chain under DCC oversight. Beginning in 2028, intoxicating hemp products must be produced, tested, and sold through licensed channels, subject to the same health, safety, and labeling standards that govern cannabis.

3. *Taxation (Effective January 1, 2028)*: Applies the cannabis excise-tax framework under the Revenue and Taxation Code to all cannabinoid products containing THC or comparable intoxicants, closing existing tax loopholes and establishing regulatory parity.



Together, these provisions represent a balanced, public-health–driven approach to consumer protection and market stabilization. AB 8 not only codifies the governor’s emergency regulations but also ensures that intoxicating hemp products are permanently removed from unregulated retail environments while providing a clear, lawful path for compliant hemp producers to participate in the state’s regulated marketplace.

Beginning January 1, 2026: Enhanced Enforcement Framework

AB 8 codifies and expands state and local authority to inspect, seize, and penalize unlicensed sales of cannabis and intoxicating hemp products, establishing clear civil penalties and coordinated enforcement tools under MAUCRSA and the Sherman Food, Drug, and Cosmetic Law.¹

These provisions close existing gaps between the DCC, CDPH, CDTFA, and local governments, creating a unified enforcement structure across state and local jurisdictions.

Civil Penalties & Retail Enforcement

Beginning January 1, 2026, AB 8 establishes clear penalties and enforcement authority for persons or businesses engaged in the sale of cigarettes or tobacco products that possess,

¹ BPC §§ 26031.6, 26038–26039.1; Health & Saf. Code §§ 111920–111929 (Sherman Food, Drug, and Cosmetic Law)

store, own, or sell cannabis, cannabis products, or any product presumed to be a cannabis product, including those containing THC or a comparable cannabinoid, such as synthetic cannabinoids, unless authorized for sale under the Sherman Food, Drug, and Cosmetic Law.²

Violations are subject to escalating civil penalties and additional enforcement actions under Business and Professions Code §§ 22980.6 and 26038(d), as summarized below. CDTFA and law enforcement agencies may inspect premises, seize prohibited products, and suspend or revoke tobacco retailer licenses for repeated violations.³

NOTE: The “department” referenced in Business and Professions Code § 22980.6 is the CDTFA, which issues tobacco retail licenses and administers fines, suspensions, and revocations. DCC did not need to be included in this specific section, as it already possesses broad seizure and enforcement authority under Business and Professions Code § 26039.4, § 26031.6, and the Health & Safety Code Division 10).

Table 1. Penalties for Unlicensed Sales of Cannabis or Cannabis Products (Effective January 1, 2026)

Violation	Aggregate Retail Value	Civil Penalty	Additional Enforcement Action
First violation	Less than \$200	\$1,000	—
	\$200 or more	\$2,000	—
Second violation (within 5 years)	Less than \$200	\$2,000	5-day license suspension
	\$200 or more	\$5,000	10-day license suspension
Third violation (within 5 years)	Less than \$200	\$5,000	License revocation
	\$200 or more	\$10,000	License revocation

NOTE: License suspensions and revocations for violations of § 22980.6 are administered in accordance with the disciplinary framework in § 22980.3, which provides for a written warning and potential 30-day suspension upon a first conviction, and mandatory revocation upon a second conviction within four years.

² BPC § 26038(d)

³ BPC §§ 26039, 26039.1; Rev. & Tax. Code § 34011.2; Health & Saf. Code § 11362.9

Consistent with existing law, AB 8 directs CDTFA to administer suspensions and revocations for violations of § 22980.6 in accordance with the procedures outlined in Business and Professions Code § 22980.3.

This ensures that any disciplinary action imposed under AB 8 follows the same notice, hearing, and reinstatement protocols that currently apply to cigarette and tobacco retailer licenses.⁴

AB 8 also creates a rebuttable presumption that any product containing or presumed to contain THC or a comparable cannabinoid is a cannabis product, unless proven compliant with the Sherman Food, Drug, and Cosmetic Law.⁵ This presumption empowers CDTFA and local agencies to take immediate enforcement action against intoxicating hemp products containing THC or presumed to contain THC, while placing the burden on the seller to demonstrate compliance.

Expanded State & Local Enforcement Authority

Beginning January 1, 2026, AB 8 codifies and extends existing DCC enforcement powers to intoxicating hemp products by establishing a statutory presumption under Health & Safety Code § 11018.1 that any consumable product containing THC—or a comparable cannabinoid—is a cannabis product subject to DCC oversight.

AB 8 also enhances interagency authority to investigate and address illegal activity involving cannabis and intoxicating hemp products. The law expressly authorizes CDTFA, CDPH, DCC, and local governments to inspect, seize, destroy, and impose penalties on unlawful cannabis and hemp products, whether sold in unlicensed stores (including unlicensed delivery services) or through online (e-commerce) platforms.⁶

Table 2. Expanded State and Local Enforcement Authority (Effective January 1, 2026)

Agency/Authority	Scope of Enforcement	Authorized Actions	Applicable Entities/ Locations
DCC	Enforcement of MAUCRSA violations and unlicensed cannabis activity	Inspect premises; seize and destroy unlawful cannabis or hemp products; issue citations; refer	Unlicensed operators, illicit storefronts

⁴ BPC § 22980.3

⁵ BPC § 22980.6(b), Health & Safety Code § 11018.1(b), and Rev & Tax Code § 34016(v)

⁶ BPC § 22980.6(c)

		criminal cases to DOJ or local prosecutors	
CDTFA	Enforcement of cannabis excise and sales tax compliance; oversight of unlicensed or untaxed cannabis and hemp sales (including e-commerce); and enforcement at tobacco retail locations under BPC § 22980.6	Inspect and seize untaxed or prohibited cannabis/hemp products; assess and collect civil penalties; suspend or revoke seller's or tobacco retailer licenses; coordinate with law enforcement	Retailers, wholesalers, online sellers, or tobacco retailers in possession of cannabis, presumed cannabis, or synthetic cannabinoid products
CDPH	Oversight of hemp manufacturing and product safety under the Sherman Law	Inspect, seize, and destroy unregistered or adulterated hemp products; revoke manufacturer registrations; coordinate with DCC and CDTFA	Unregistered hemp manufacturers, distributors, and retail storefronts
Local Law Enforcement Agencies	Enforcement of local ordinances and state law violations	Issue abatement orders; seize and destroy illegal cannabis or hemp products; impose local civil penalties	Unlicensed retail storefronts (e.g. vape shops), warehouses, and delivery hubs

Related Enforcement Agencies: ABC

Although AB 8 does not expand enforcement authority to the Department of Alcoholic Beverage Control (ABC), the Governor's signing message acknowledged ABC's active participation under the 2024 emergency regulations restricting the sale of intoxicating hemp-derived cannabinoid products.⁷

⁷ California Department of Public Health, Emergency Regulations - Industrial Hemp Products Containing Cannabinoids (DPH-24-005E, effective September 2024):
https://www.cdph.ca.gov/Programs/OLS/CDPH%20Document%20Library/DPH-24-005E-IH_ER_Regulations_Text_Final.pdf
https://www.cdph.ca.gov/Programs/OLS/CDPH%20Document%20Library/DPH-24-005E-IH_ER_Regulations_Text_Final.pdf

Since those emergency regulations took effect, ABC has reported 99.78% compliance among licensees, having conducted 14,743 inspections and removed 7,210 illegal products from 151 locations statewide.⁸

While AB 8 codifies permanent statewide enforcement authority for DCC, CDTFA, and CDPH, the emergency regulations (initially adopted on an emergency basis and now advancing through the standard APA rulemaking process) remain in effect during the two-year transition period, maintaining a de facto prohibition on hemp-derived cannabinoid sales until new integration regulations are finalized on or before January 1, 2028.

Synthetic Cannabinoids

AB 8 strengthens enforcement against synthetic cannabinoids, defined as cannabinoids or cannabinoid-like compounds produced through biosynthesis, bioconversion, or chemical synthesis.

Under Health & Safety Code § 11357.5, the manufacture or sale of any synthetic cannabinoid, as defined in Business & Professions Code § 26000(bf), constitutes a public offense and is subject to criminal penalties under existing law. The definition excludes naturally occurring conversions (such as CBDA→CBD or THC→CBN through heat, light, or pressure) and any other chemical substances exempted by CDPH regulation, as further described below.

Enforcement Continues & Integration Begins (2026 → 2028)

The enhanced enforcement framework taking effect on January 1, 2026, represents the first step in aligning state oversight of cannabis and hemp. Nearly all enforcement authorities under AB 8 become operative on this date, while provisions related to tax liability and full hemp integration take effect January 1, 2028.

Beginning January 1, 2028, these enforcement provisions will be enhanced through new regulations that integrate industrial hemp biomass into the licensed cannabis marketplace and align tax obligations under the Revenue and Taxation Code for cannabinoid products containing THC or a comparable cannabinoid, as defined.⁹

⁸ Governor Gavin Newsom, *Press Release: Governor Newsom Announces 99.8% Compliance with Emergency Regulations; Signs Bill to Permanently Protect Children from Hemp Products* (Oct. 2, 2025), <https://www.gov.ca.gov/2025/10/02/governor-newsom-announces-99-8-compliance-with-emergency-regulations-signs-bill-to-permanently-protect-children-from-hemp-products/>.

⁹ RTC § 34011, effective Jan. 1, 2028

Beginning January 1, 2028: Hemp Integration & Tax Alignment

Beginning January 1, 2028, AB 8 enhances California's cannabis regulatory framework through new regulations that integrate industrial hemp biomass and hemp-derived cannabinoids, as authorized, into the licensed cannabis marketplace.

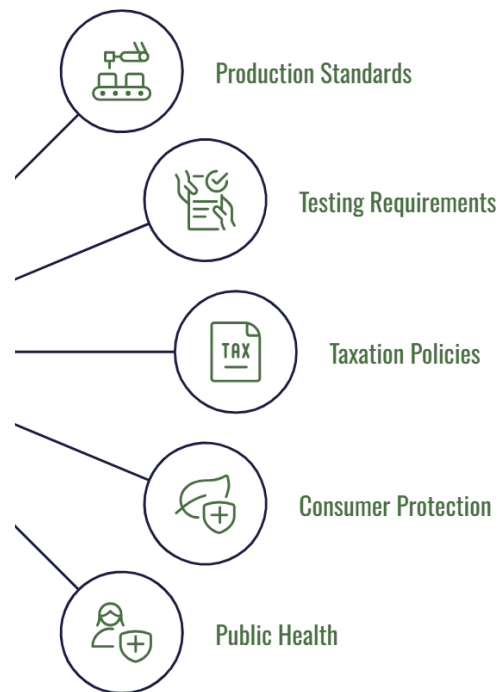
This integration ensures that all intoxicating cannabinoid products, regardless of source, are produced, tested, taxed, and sold within California's licensed supply chain under the same consumer-protection, public-health, and taxation standards that apply to cannabis.

Upon entry into the licensed market, industrial hemp biomass becomes subject to MAUCRSA, meaning that all manufacturing, testing, packaging, and retail activities fall under DCC oversight. CDPH retains jurisdiction over product safety and labeling for non-intoxicating hemp products. At the same time, CDTFB applies its cannabis excise-tax framework under the Revenue and Taxation Code to cannabinoid products containing THC or a comparable cannabinoid.

AB 8 further directs the DCC, working in coordination with CDPH and CDTFB, to adopt regulations implementing hemp integration before January 1, 2028. Those regulations, adopted under the Administrative Procedure Act (APA), are expected to establish testing and tax procedures, define allowable cannabinoid thresholds, etc.

Until that rulemaking is complete, intoxicating hemp products such as gummies or beverages remain illegal in California, ensuring that unregulated hemp operators do not undercut licensed cannabis businesses.

This shift creates a single, transparent framework for regulating and taxing intoxicating cannabinoids, regardless of their source.



Updated Definitions & Statutory Alignment

To prepare for full integration, AB 8 standardizes and harmonizes key definitions across the Business and Professions Code (BPC), Health and Safety Code (HSC), and Revenue and Taxation Code (RTC) to create consistency between cannabis and hemp regulatory frameworks.¹⁰

Revised definitions include *cannabis*, *cannabis product*, *cannabinoid*, *industrial hemp*, *THC*, *total THC* (now expressly including THCA), and *synthetic cannabinoid*. The bill also amends the definitions for *CBD*, *CBN*, *concentrated cannabis*, and *cannabis concentrate*, distinguishing between pre-2028 and post-2028 treatment by excluding CBD and CBD isolates from the cannabis definition once integration takes effect. The new definition of “synthetic cannabinoid” (BPC § 26000(bf)) explicitly excludes:

1. Naturally occurring cannabinoids produced without chemical reagents or catalysts (e.g., CBDA → CBD via heat).
2. Naturally occurring conversions produced through light, heat, or pressure (e.g., THC → CBN).
3. Any other chemical substances excluded by the DCC by regulation.

Table 3. Harmonized or Modified Definitions Under AB 8

Term	Code Reference(s)	Key Change/ Clarification	Effective Date
Cannabis / Cannabis Product	BPC § 26000 (m)–(n); HSC § 11018, § 11018.1	Updates and harmonizes definition governing intoxicating cannabinoids for statewide consistency across BPC, HSC, and RTC codes.	Jan. 1, 2026
Cannabinoid	BPC § 26000 (bd); HSC § 111920 (l)	Establishes a uniform definition for both cannabis- and hemp-derived cannabinoids.	Jan. 1, 2026
Industrial Hemp	HSC § 11018.5; § 111920 (n)	Clarifies hemp’s status prior to integration into the licensed cannabis marketplace.	Jan. 1, 2026
THC / Comparable Cannabinoid / Total THC	BPC § 26000 (be)–(bh); RTC § 34010	Expands “Total THC” to include THCA for regulatory and tax purposes.	Jan. 1, 2026

¹⁰ BPC § 26000; HSC §§ 11018–111920; RTC § 34010

Synthetic Cannabinoid	BPC § 26000 (bf)	Defines synthetic cannabinoids as compounds produced through biosynthesis or chemical conversion; excludes naturally occurring conversions and other CDPH-exempt substances.	Jan. 1, 2026
Concentrated Cannabis / Cannabis Concentrate	BPC § 26000 (af); HSC § 11006.5 (b)–(c)	Distinguishes between pre- and post-integration definitions; beginning Jan. 1, 2028, excludes CBD and CBD isolates.	Jan. 1, 2028
CBD / Cannabidiol	HSC § 111920 (l)	Clarifies that CBD meeting ≥ 99% purity remains regulated under Sherman Law unless incorporated into an intoxicating product governed by MAUCRSA.	Jan. 1, 2028
CBN / Cannabinol	HSC § 111920 (l)	Establishes definition for CBN isolates and clarifies that CBN meeting ≥ 99 % purity remains regulated under the Sherman Law unless incorporated into an intoxicating cannabis product governed by MAUCRSA.	Jan. 1, 2028

Pre-Integration Restrictions (Through December 31, 2027)

Until DCC regulations are promulgated—no later than January 1, 2028—the following restrictions remain in place:¹¹

- *Licensed manufacturers* may only use cannabinoid concentrates and extracts that are exclusively derived from cannabis obtained from a licensed cannabis cultivator.
- *Licensees* may not possess, transport, distribute, manufacture, or sell industrial hemp on or from a licensed premises.
- *Licensed testing laboratories* remain the sole exception; they may continue to test industrial hemp consistent with state law.

These provisions preserve the clear separation between the cannabis and hemp markets during the two-year rulemaking and transition period. They ensure that hemp-derived cannabinoids cannot enter the regulated cannabis supply chain until the state finalizes comprehensive safety, testing, and taxation standards for hemp under MAUCRSA.

¹¹ BPC § 26000.5

Integration Framework (Effective January 1, 2028)

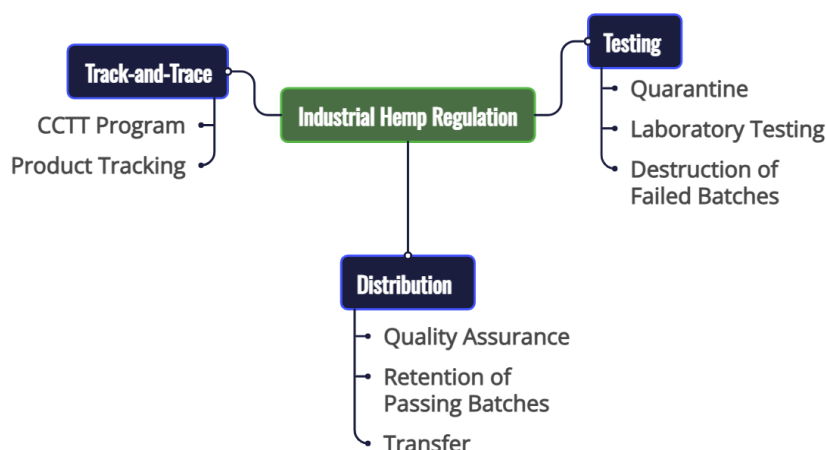
Beginning January 1, 2028, AB 8 enhances the state's cannabis regulatory framework through new regulations that integrate industrial hemp biomass and hemp-derived cannabinoids, as authorized, into the licensed cannabis marketplace. This integration ensures that all intoxicating cannabinoid products (regardless of source) are produced, tested, taxed, and sold within California's licensed supply chain under the same consumer-protection, public-health, and taxation standards that apply to cannabis.

Upon entry into the licensed market, industrial hemp biomass becomes subject to MAUCRSA, meaning that all cultivation, manufacturing, testing, packaging, and retail activities fall under DCC oversight. CDPH retains jurisdiction over product safety and labeling for non-intoxicating hemp products, while CDTFA applies its cannabis excise-tax framework under the Revenue and Taxation Code to cannabinoid products containing THC or a comparable cannabinoid. This shift creates a single, transparent framework for regulating and taxing intoxicating cannabinoids, regardless of their source.

Testing, Track-and-Trace & Distribution Standards

Industrial hemp entering the licensed market must undergo the same safety, testing, and tracking requirements that apply to cannabis:

- *Testing:* Hemp biomass is quarantined by a licensed distributor upon entry, tested by a licensed testing laboratory, and destroyed if it fails to meet the statutory definition of industrial hemp.¹²
- *Distribution:* Industrial hemp is subject to the same quality assurance standards as cannabis, including destruction of failed batches and retention of passing batches pending transfer.¹³
- *Track-and-Trace:* All hemp products entering the licensed system are tracked under the California Cannabis Track-and-Trace Program (CCTT).¹⁴



¹² BPC § 26100

¹³ BPC § 26110

¹⁴ BPC § 26067

Retail, Product Restrictions & Permissible Sales

AB 8 retains most existing prohibitions on hemp products, as follows:¹⁵

- Alcoholic beverages containing cannabinoids or any infusion of hemp-derived cannabinoids.
- Inhalable cannabis products containing THC derived from industrial hemp.
- Hemp flower, pre-rolls, or any product containing hemp flower or hemp-derived cannabinoids.
- The inclusion of synthetic cannabinoids in all cannabinoid products.
- Any intoxicating cannabinoid product manufactured outside the licensed cannabis market.

AB 8 permits inhalable products containing hemp-derived cannabinoids other than THC, reflecting a narrow exception to the existing prohibition framework.

Cultivation & Pesticide Restrictions

AB 8 explicitly prohibits hemp cultivators from transferring or selling hemp biomass to a cannabis licensee if a banned pesticide was used in its cultivation.¹⁶

Branding & Appellations of Origin

Industrial hemp products incorporated into the cannabis market become eligible for and must adhere to county of origin and appellation designations consistent with cannabis branding standards.¹⁷

Import & Export Authority

AB 8 authorizes the manufacture and transport of industrial hemp products through and out of California under BPC § 26080(c)(2), provided they are not sold in-state.¹⁸ However, BPC § 26000.5, as previously noted, continues to prohibit licensees from possessing, transporting, manufacturing, or selling industrial hemp before January 1, 2028 (except for testing laboratories). After that date, licensees may handle hemp-derived products for lawful export under DCC/CDPH oversight, ensuring those products meet California's testing and labeling standards even when shipped out of state.

NOTE: The authority to manufacture inhalable hemp products for out-of-state sale predates AB 8 and originates in AB 45 (2021) and is codified at HSC § 111921.6(a). AB 8 retains that safe-harbor provision while striking a prior subdivision - subdivision (b) - which had linked repeal of the prohibition to future tax legislation. Accordingly, manufacture of inhalable hemp products for export remains permissible after January 1, 2026, while in-state sale continues to be prohibited.

¹⁵ BPC § 26070.2

¹⁶ BPC § 26060(c)-(d)

¹⁷ BPC § 26151

¹⁸ BPC § 26080

CBD & CBN Isolates

AB 8 clarifies that CBD and CBN isolates meeting purity standards of 99% or greater remain regulated under the Sherman Food, Drug, and Cosmetic Law, unless incorporated into an intoxicating cannabis product, in which case they become subject to the existing requirements under MAUCRSA.¹⁹

Permissible THC Products Under Sherman

AB 8 permits topical cosmetics to include THC concentrations up to 0.3% total THC, as determined by CDPH in regulation.²⁰

¹⁹ HSC §§ 11018.5, 111920(l)-(n)

²⁰ HSC § 111920(g)(1)(C)(ii)