

**Testimony in Support of AB 8**  
**Assembly Business and Professions Committee**  
**April 22, 2025**

Good morning, Chair Berman and Members of the Committee,

Amy O’Gorman Jenkins, here on behalf of the California Cannabis Operators Association, representing more than 200 licensed operators across the supply chain.

We are proud to sponsor AB 8 by Majority Leader Aguiar-Curry, which protects public health, consumer safety, and California’s regulated cannabis market from the growing threat of unregulated, intoxicating hemp products.

Earlier this year, March and Ash, in partnership with the San Diego/Imperial Counties Joint Labor Management Cannabis Committee, and UFCW released a groundbreaking report at [hemphoax.com](http://hemphoax.com). It reviewed over 100 hemp-derived THC products sold in California.

The findings were staggering:

- 89% exceeded the legal THC limit under California law.
- 66% were marketed to children — using cartoon imagery and mimicking candy and soda brands.
- 52% had no testing or potency verification.
- 35% were manufactured out-of-state or internationally, bypassing all state oversight.
- And none were taxed under California’s cannabis laws — despite many containing equal or higher levels of THC than regulated cannabis products.

AB 8 draws a clear line: if a product is intoxicating, it belongs under the regulatory authority of the Department of Cannabis Control. This ensures consistent testing, taxation, packaging, age verification, and enforcement — regardless of whether THC is derived from cannabis or hemp.

But the public health threat is only part of the picture. In March, Whitney Economics — one of the country's leading cannabis market analysts — reduced its U.S. cannabis retail forecast by more than \$21 billion over the next five years. Their reason? States like California are losing market share due to high taxes, poor enforcement, and the flood of untaxed intoxicating hemp products.

Their California-specific findings are sobering:

- Legal cannabis participation is declining — not because of lack of demand, but because consumers are priced out of the legal market.
- States with unregulated intoxicating hemp markets are seeing a direct erosion of licensed sales and tax revenue.
- And unless policy changes are made — soon — California will continue to fall behind states like Michigan, despite having four times the population.

That's what makes AB 8 so critical.

It doesn't ban hemp. It draws a clear, enforceable line: if a product is intoxicating, it belongs under the Department of Cannabis Control. That means testing, age-gating, taxation, and safety standards — the same ones cannabis licensees follow every day.

Now let me briefly address other concerns that have been raised.

**First, enforceability.**

AB 8 requires that hemp be tested at the point it enters the cannabis supply chain. If it's too high in THC, it's stopped. And based on the Hemp Hoax report, 95% of hemp-derived THC products on the market today are synthetic and not produced from naturally occurring sources.

**Second, testing and lab detection.**

Synthetic cannabinoids have unique chemical structures. They are detectable under current testing standards. AB 8 bans these synthetics and gives regulators the tools they need to remove them from circulation.

**Third, cultivation and craft cultivators.**

AB 8 protects small cannabis cultivators by explicitly banning the use of hemp flower or hemp-derived cannabinoids in inhalable products.

**And finally, taxation.**

AB 8 strengthens our tax structure. It subjects intoxicating hemp to the 15% cannabis excise tax, expanding the taxable base. This preserves revenue for the state while relieving pressure on legal operators — a recommendation echoed by the DCC's own economic analyses.

In closing, AB 8 is not about picking sides between cannabis and hemp. It's about protecting kids, safeguarding consumers, and preserving the regulated system voters chose.

I respectfully urge your AYE vote.

Thank you.