



PRECISION ADVOCACY



February 23, 2026

Updated March 13, 2026

To: California Cannabis Operators Association (CaCOA)

From: Amy O’Gorman Jenkins
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RE: **2026 Cannabis Legislative Update: *Bill Summaries and Recommended Positions***

As the California Legislature advances through the second year of the 2025–26 Session, the cannabis policy landscape is increasingly reflecting issues that have been central to the California Cannabis Operators Association’s advocacy priorities: risk-based enforcement and compliance prioritization, youth advertising and packaging standards, implementation of last year’s intoxicating hemp enforcement reforms, and environmental stewardship of vaping products. At the same time, policymakers are demonstrating a growing willingness to address other intoxicating substances sold outside the licensed cannabis marketplace — an issue closely tied to the broader goal of ensuring regulatory parity and protecting the integrity of California’s regulated cannabis market.

Several measures introduced before the February 20 bill introduction deadline remain in spot form, indicating that substantive amendments are forthcoming as policy discussions evolve. Under legislative rules, spot bills must be submitted to Legislative Counsel in final form by 5:00 p.m. on Monday, March 16 in order to be referred to policy committees during the week of March 23. As a result, the policy direction and intent of several measures summarized below should become significantly clearer in the coming days.

Collectively, this year’s legislation presents both opportunity and risk for the regulated cannabis industry. There is a meaningful opportunity to advance clearer and more consistent compliance standards that protect public health and strengthen market integrity. At the same time, broad statutory changes affecting advertising, packaging, distribution pathways, or supply-chain structure could introduce new regulatory and operational burdens for licensed operators if not carefully crafted.

The summaries below reflect bills introduced to date and are intended to assist the CaCOA in evaluating emerging policy proposals that may impact the regulated cannabis marketplace.

CaCOA will continue actively engaging with authors, legislative staff, and regulatory stakeholders as these proposals develop. Board members are encouraged to review the measures summarized below and share any questions, feedback, or interest in more direct engagement on specific bills.

CaCOA remains committed to ensuring that the perspectives of licensed cannabis operators are clearly represented as policymakers shape the next phase of California's cannabis regulatory framework.

Risk-Based Enforcement & Compliance Prioritization

1. [AB 1826](#) (Lackey) **Cannabis: recall, embargo, and destruction of cannabis and cannabis products.** AB 1826 revises the Department of Cannabis Control's (DCC) recall, embargo, and destruction procedures to increase evidentiary transparency, formalize timelines, and expand procedural protections for licensees during enforcement actions under MAUCRSA.

The bill is sponsored by the California Cannabis Industry Association (CCIA).

Specifically, this bill:

- Requires the DCC, when notifying a licensee that cannabis or a cannabis product is adulterated or misbranded (or subject to embargo), to provide supporting documentation, including laboratory results, chain of custody documentation, sampling methodology, and a summary of the evidence supporting the determination.
- Requires the DCC, within five business days of issuing a notice of adulteration or misbranding, to offer the licensee a meet and confer before a voluntary recall proceeds and prohibits destruction of product until that process concludes or is declined.
- In cases of mandatory recall, requires the DCC to provide supporting evidence simultaneously with the recall order and replaces the existing informal proceeding with a meet and confer process within five business days.
- Prohibits the DCC from requiring destruction of product prior to completion of the meet and confer process or the licensee's decision not to participate.

- Requires the DCC to work diligently to make a final determination on embargoed product and to remove an embargo tag within 24 hours of finding that the product is not in violation.
- Establishes deadlines for initiating condemnation proceedings (within 10 days of rejecting a corrective action plan or within 10 days of embargo if none is submitted).
- Provides expedited hearing timelines for perishable agricultural products.
- Prohibits the DCC from requiring a licensee to conduct a voluntary recall, waive liability, or waive administrative or judicial appeal rights as a condition of approving corrective actions, supervising destruction, or removing an embargo tag.

Collectively, the bill restructures recall and embargo procedures to increase due process protections and procedural clarity while maintaining the DCC's authority to address products that pose a threat to public health and safety.

Industry Impact: The bill provides additional transparency, defined timelines, and procedural safeguards for licensees during recalls and embargoes. Operational impacts are most relevant to licensees subject to enforcement actions and may also affect DCC workload and timelines.

Recommended Position: Support (Co-sponsor) with amendments to clarify that the due process provisions apply only to licensed operators, and not to unlicensed or illegal operators. This measure aims to improve compliance management, enhancing regulatory consistency, and strengthening due process protections in recall and enforcement actions. The bill advances key priorities including clearer notice requirements, defined timelines, meaningful opportunities to respond or cure violations, and greater transparency in enforcement decision-making.

Status: Introduced February 11, 2026. Double-referred to the Assembly Business and Professions and Judiciary committees.

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2. [AB 2537 \(Chen\) Cannabis \(Spot Bill\)](#). AB 2537, as proposed to be amended, seeks to enact the *Enforcement Accountability & Public Health Act*, would provide statutory direction to ensure that cannabis enforcement resources are consistently prioritized toward violations that pose the greatest real-world risks to public health, public safety, and market integrity.

Sponsored by CaCOA, this bill is intended to establish clear legislative guidance on enforcement prioritization and transparency.

Specifically, this bill as proposed to be amended will:

- **Define “Material Threat”:** Establishes a definition focused on the most serious risks to public health and safety, including sales to minors; marketing or packaging attractive to minors; contaminated or adulterated products; intentional diversion to the illicit market; falsification of testing or regulatory records; and significant environmental or workplace safety violations.
- **Align Enforcement with Risk:** Requires the department to adopt an enforcement policy that prioritizes the most serious enforcement tools for violations that constitute a material threat.
- **Distinguish Minor Violations:** Clarifies that minor technical violations remain enforceable but, absent a pattern of repeated noncompliance indicating broader systemic risk, cannot be the sole basis for license suspension or revocation.
- **Increase Transparency:** Requires annual reporting on enforcement activity to improve visibility, accountability, and data-driven policy evaluation.

Industry Impact: The proposal is designed to improve predictability and proportionality in enforcement while preserving the DCC’s full authority to investigate and penalize violations. By codifying a risk-based framework, the bill seeks to ensure that limited enforcement resources are directed toward conduct that meaningfully threatens consumer safety and market integrity, rather than minor technical infractions that do not present public health or safety concerns.

The reporting requirement would provide policymakers and regulators with better tools to evaluate enforcement outcomes, identify trends, and improve regulatory performance over time.

Policy Context: As California’s legal cannabis market continues to face competition from illicit operators and unregulated products, stakeholders have emphasized the importance of targeted, high-impact enforcement.

Position: Support (Sponsor)

Status: Introduced February 20, 2026. Substantive bill language forthcoming.

Retail Access & Distribution

- 3. UPDATE: [AB 1564](#) (Ahrens) Medicinal cannabis: shipments.** As introduced, this bill amended the Medicinal Cannabis Patients' Right of Access Act, established in [SB 1186](#) (Wiener, 2022), which prohibited local jurisdictions from adopting or enforcing any regulation that blocks access to legal cannabis products for sale to qualified medicinal cannabis patients by delivery. AB 1564 expanded this framework by authorizing a licensed microbusiness with an M-license, that includes retail, manufacturing, distribution, and outdoor cultivation, to directly ship certain medicinal cannabis products to patients in California using a common carrier. As introduced, the bill was modeled on Assemblymember Ahrens' prior proposal, [AB 1332](#) (Ahrens, 2025), which was vetoed by the governor.

Comments: On February 25, 2026, AB 1564 was gutted and amended and repurposed to address an issue unrelated to cannabis. As a result, the bill will no longer be tracked as part of this legislative portfolio and will be removed from future legislative updates.

Industry Impact: As originally drafted, AB 1564 would have created a new distribution pathway outside the traditional licensed retail and delivery framework. Industry stakeholders, including CaCOA, identified several unresolved operational and enforcement concerns, including chain-of-custody controls, age and identity verification, diversion risk, product security during transit, and alignment with existing Department of Cannabis Control (DCC) track-and-trace and enforcement systems.

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- 4. UPDATE: [AB 2246](#) (Wicks) Cannabis SPOT.** As introduced, AB 2246 makes only technical, nonsubstantive changes to cannabis statutes and appears to serve as a placeholder vehicle bill.

Comments: The bill had been intended as a potential vehicle for retail access expansion legislation. However, more recent discussions indicate that the proposal is unlikely to move forward during the current legislative session.

Status: Introduced February 19, 2026.

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- 5. [AB 2420](#) (Caloza) Cannabis: donations: seniors (Spot Bill).** While AB 2420 is currently in spot form, the bill, as introduced, states the intent of the Legislature to enact legislation authorizing cannabis retailers to donate cannabis or cannabis products

to individuals 65 years of age and older and to provide a tax exemption for cannabis or cannabis products that are donated to those individuals.

Under existing law ([SB 34](#) (Wiener, 2020)), retailers may donate cannabis or cannabis products only to *medicinal cannabis patients* and their primary caregivers, subject to detailed statutory safeguards. In conversations with the author's office, the author is contemplating expanding donation authority beyond medically qualified patients to a broader senior population, regardless of medical status.

Industry Impact If amended to authorize cannabis donations to all individuals 65 and older, the bill would represent a material expansion of the compassionate use framework established under SB 34.

Recommended Position: Sponsor/Support, as proposed to be amended.

Status: Introduced February 20, 2026. Spot bill. Awaiting substantive amendments.

6. [AB 2697](#) (Pellerin) Cannabis (Spot Bill). AB 2697 is currently in spot form and currently proposes to amend provisions relating to vehicles and driver's licenses. However, the bill is ultimately intended to serve as a vehicle to authorize cannabis retail drive-through transactions, subject to local jurisdiction approval.

Under existing [DCC regulations](#) (Title 4, CCR §15025), licensed retailers and microbusinesses authorized to engage in retail sales:

- May only serve customers within the licensed premises or at a compliant delivery address;
- May not conduct sales through a pass-out window or slide-out tray to the exterior of the premises; and
- May not operate as or with a drive-in or drive-through at which cannabis goods are sold to persons within or about a motor vehicle (except for authorized curbside delivery conducted pursuant to §15404).

AB 2697 is expected to propose a statutory override to these regulatory restrictions, allowing drive-through sales where approved by a local jurisdiction.

Policy Context: The bill aligns with broader discussions around retail access and operational flexibility, subject to local approval.

Industry Impact: AB 2697 could provide operational flexibility for licensed retailers in jurisdictions that choose to authorize drive-through sales.

Recommended Position: Watch, pending amendments

Status: Introduced February 20, 2026. Spot bill. Awaiting substantive amendments.

Youth Advertising & Packaging

7. **UPDATE:** [AB 2249](#) (Irwin) **Cannabis: youth advertising and marketing (Spot Bill)**. AB 2249 is a spot bill stating the intent of the Legislature to enact legislation addressing cannabis labeling and advertising in response to the California State Auditor’s review of the Department of Cannabis Control’s (DCC) enforcement of youth advertising and marketing restrictions.

The measure is expected to serve as a legislative vehicle for amendments aimed at strengthening statutory standards governing cannabis advertising, packaging, and youth protection.

The author previously introduced [AB 1207](#) (Irwin, 2023), which sought to define and restrict cannabis products deemed “attractive to children.” AB 1207 was vetoed by the governor following considerable cannabis industry opposition. In his [veto message](#), the governor agreed with the author’s intent but expressed concern that the bill’s definition of “attractive to children” was overly broad and could sweep in commonplace imagery without materially improving youth protections. He directed the DCC to strengthen and expand youth-related cannabis protections administratively, including enhanced enforcement.

Policy Context: AB 2249 follows the recent Joint Legislative Audit Committee (JLAC) hearing examining the State Auditor’s findings regarding the DCC’s oversight of youth advertising and marketing, as well as ongoing legislative interest in clarifying statutory standards governing cannabis packaging and branding.

During the JLAC hearing, legislators discussed potential restrictions on certain categories of imagery and strain names, as well as concerns regarding labeling and serving size clarity for infused cannabis beverages.

In response to the audit findings and legislative dialogue, CaCOA released a policy white paper, “The Packaging Problem,” outlining targeted recommendations intended to improve enforcement consistency, clarify regulatory standards, and strengthen child-protection safeguards without destabilizing compliant businesses.

CaCOA has met directly with the author's office to discuss these issues. During those conversations, the office expressed a willingness to work collaboratively with CaCOA and other industry stakeholders and indicated openness to considering some of the recommendations contained in "The Packaging Problem" white paper as amendments are developed.

AB 2249, together with AB 2532 (Irwin), signals continued legislative interest in packaging, labeling, and youth advertising standards.

Industry Impact: Because the bill currently contains only intent language, the specific policy impacts remain unknown. However, based on prior legislative efforts, audit findings, recent legislative discussions, and communications with the author's office, potential amendments may include:

- Statutory definitions of products deemed "attractive to children," including potential restrictions on the use of humans, animals, or illustrated imagery in cannabis branding or packaging;
- Creation of an optional but binding pre-market packaging review process administered by the DCC and funded by licensees, consistent with recommendations contained in CaCOA's *Packaging Problem* white paper;
- Mandatory compliance certifications for packaging and labeling; and
- Enhanced penalties for advertising or marketing violations.

Depending on how broadly these concepts are drafted, amendments could have material implications for product branding, packaging redesign costs, and enforcement exposure across the supply chain.

Early Engagement. Given the prior legislative history, the governor's veto message on AB 1207, and the findings of the State Auditor's report, early and proactive engagement will be essential. AB 2249 presents both risk and opportunity: risk if statutory language becomes overly broad or subjective, and opportunity to codify clear, workable youth-protection standards that improve enforcement consistency while preserving compliant business practices.

Recommended Position: High Watch.

Status: Introduced February 19, 2026. Awaiting substantive amendments.

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8. **UPDATE:** [AB 2532 \(Irwin\)](#) **Cannabis: packaging and labeling (Spot Bill)**. As currently drafted, AB 2532 makes only a technical, nonsubstantive amendment to existing

statute. However, the bill is widely understood to serve as a policy vehicle for forthcoming statutory changes related to cannabis-infused beverages.

Policy Context: AB 2532 is the second cannabis-related bill authored by Assemblymember Irwin this session (see also AB 2249 above). Together, the two measures are intended to address youth advertising concerns, packaging clarity, and enforcement consistency following the Joint Legislative Audit Committee (JLAC) hearing examining the State Auditor's findings regarding the Department of Cannabis Control's oversight of cannabis labeling and marketing.

The State Auditor's report and subsequent legislative discussions raised concerns regarding:

- Packaging presentation and potential youth appeal
- Labeling clarity for cannabis-infused beverage products
- Serving size disclosures and consumer understanding
- Enforcement consistency across product categories

Based on discussions with the author's office, AB 2532 is expected to be amended to address cannabis-infused beverage products specifically. Current proposals under discussion may include:

- Limiting cannabis-infused beverages to 10 milligrams THC per container
- Prohibiting beverage products containing multiple servings exceeding the 10 mg threshold
- Requiring cannabis-infused beverages to include the Poison Control Center hotline on product labeling

Existing Law: Under Business and Professions Code §26130, edible cannabis products must be produced and sold with a standardized concentration of cannabinoids not exceeding 10 milligrams THC per serving. Regulations implementing Division 10 further limit adult-use edible cannabis products to 100 milligrams THC per package, while requiring multi-serving products to be clearly delineated and homogenized to ensure consistent dosing.

Because cannabis-infused beverages are regulated as edible cannabis products, they currently fall within this framework. Proposed amendments to AB 2532 therefore appear focused on single-serving limitations and labeling clarity for beverage products, rather than modifying the core statutory THC serving limit.

Engagement: As with AB 2249, CaCOA has met with the author's office to discuss the State Auditor's findings and potential policy responses..

Given the likelihood that AB 2532 will serve as the primary statutory vehicle for beverage-specific packaging reforms, early engagement will be critical to ensure that any new requirements are clear, enforceable, and operationally workable for licensed operators.

Recommended Position: High Watch

Status: Introduced February 20, 2026. Spot bill. Awaiting amendments.

Intoxicating Hemp

9. [AB 2250 \(Aguiar-Curry\) Cannabis: cannabinoids](#). AB 2250 is a clean-up bill to [AB 8](#) (Aguiar-Curry, 2025), the landmark hemp enforcement legislation enacted last year. The bill is sponsored by CaCOA and is intended to clarify and conform statutory provisions related to cannabinoid definitions, seizure authority, and funding mechanisms necessary to support implementation of AB 8.

Specifically, as amended March 11, 2026, this bill:

- Clarifies that monies in the Cigarette and Tobacco Products Compliance Fund may be used to cover costs associated with the seizure and destruction of cannabis, cannabis products, and products presumed to be cannabis under the enforcement authorities established by AB 8.
- Expands seizure authority under the Cannabis Tax Law to explicitly include cannabis or cannabis products possessed, stored, offered for sale, or sold at unlicensed premises, strengthening enforcement tools available to CDTFA and law enforcement.
- Makes organizational and clarifying changes to the cannabinoid presumption provisions adopted in AB 8, including consolidation of definitional language and removal of redundant statutory definitions.
- Beginning January 1, 2028, excludes CBN isolate (in addition to CBD isolate) from the statutory definition of “cannabis concentrate,” aligning treatment of cannabinoid isolates and preventing unintended excise tax consequences.

Policy Context: AB 8 fundamentally restructured California’s approach to intoxicating hemp enforcement and expanded seizure authority targeting unlicensed operators selling cannabinoid products outside the licensed cannabis marketplace. As with many

comprehensive statutory reforms, technical and conforming amendments to ensure consistent interpretation and effective implementation across agencies is necessary.

AB 2250 continues the implementation of that framework by addressing technical statutory issues identified following enactment of AB 8 and ensuring that enforcement and tax provisions operate as originally intended.

Industry Context/Impact: CaCOA played a leading role in advancing last year’s intoxicating hemp reforms and continues to work with the author and regulators to ensure those statutory changes are implemented effectively and consistently across state agencies.

AB 2250 makes technical and conforming amendments intended to support implementation of AB 8 while strengthening enforcement tools targeting unlicensed cannabinoid products operating outside California’s regulated cannabis marketplace.

Position: Support (Sponsor)

Status: Amended March 11, 2026. Referred to the Assembly Business and Professions Committee.

Vape Products & Environmental Stewardship

10. [AB 762](#) (Irwin/Wilson): Disposable, Battery-Embedded Vapor Inhalation Devices:

AB 762, as amended, prohibits the importation, manufacture, sale, or distribution of disposable, battery-embedded vapor inhalation devices containing nicotine, beginning January 1, 2027 (manufacture/import) and January 1, 2028 (sale). As amended, the bill expressly excludes cannabis and cannabis products from its scope.

Earlier versions of the bill would have applied to integrated (“all-in-one”) cannabis vapor devices, effectively prohibiting a significant segment of the regulated cannabis vapor market. Industry trade groups, led by CaCOA engaged early and directly with the author’s office to raise substantive regulatory, enforcement, and market-structure concerns. Following sustained engagement and coordinated industry advocacy, the bill was amended to remove cannabis products from its scope.

Specifically, the bill now:

- Prohibits disposable, battery-embedded vapor inhalation devices that contain nicotine and are not refillable or rechargeable.
- Excludes medical devices classified as Class I, II, or III under federal law.

- Authorizes cities, counties, and the state to enforce the prohibition.
- Establishes civil penalties of \$500 (first violation), \$1,000 (second violation), and \$2,000 (third and subsequent violations).
- Authorizes license suspension or revocation for tobacco licensees in violation of the prohibition.

Industry Impact/Staff Comments: As amended, the bill does not apply to cannabis vapor products. Absent industry engagement, earlier versions would have significantly disrupted the cannabis vapor market. The amendment reflects effective advocacy that preserved regulatory stability while allowing the Legislature to pursue its environmental objectives in the nicotine context.

The broader environmental and product stewardship issues driving the bill remain active. Sponsors, including Californians Against Waste, have already initiated discussions with CaCOA regarding potential alternative approaches this session, including the possibility of an industry-developed Extended Producer Responsibility (EPR) framework for cannabis vapor products.

Position: Neutral. Cannabis industry opposition was removed following January 26, 2026 amendments, which were negotiated by CaCOA.

This issue is likely to return in future legislation, necessitating continued engagement and proactive development of workable industry solutions.

Status: Amended January 26, 2026. Pending further committee consideration.

- 11. [AB 2667](#) (Hadwick) Vape products: household hazardous waste: advertising.** AB 2667 addresses both the environmental hazards associated with vape products (both cannabis and nicotine) and marketing practices designed to appeal to minors.

Defines a “vape pen and device” as an electronic device powered by one or more removable or embedded batteries that delivers nicotine, cannabis, or other vaporized liquids to the person inhaling from the device, including electronic cigarettes, cigars, pipes, hookahs, or similar delivery mechanisms.

Specifically, this bill:

- Requires, until January 1, 2030, the Department of Toxic Substances Control (DTSC) to evaluate opportunities to increase safety and convenience related to the management and disposal of vape pens and devices confiscated from

students and to identify recommendations requiring future legislative action.

- Authorizes permanent household hazardous waste collection facilities to mechanically disassemble vape pens and devices to safely separate batteries and hazardous components, provided operations do not result in unauthorized release of hazardous materials and are conducted pursuant to an approved operational plan.
- Prohibits marketing, promotion, labeling, branding, advertising, distribution, offering for sale, or sale of vape products that:
 - Imitate non-vape products (e.g., food, candy, school supplies) to conceal their nature from parents, teachers, or other adults;
 - Use branding known to appeal to minors (e.g., cartoon characters, videogame characters, or mythical creatures);
 - Include interactive videogame capabilities within the device.
- Authorizes civil enforcement by cities, counties, and the state, including escalating penalties and enhanced penalties for distributors.
- Requires the California Department of Tax and Fee Administration (CDTFA) and the DCC to suspend or revoke licenses for violations.

Industry Impact: AB 2667 reinforces long-standing concerns regarding youth-targeted marketing practices and deceptive product design in the vape marketplace, including products disguised as everyday consumer goods.

By explicitly prohibiting imitation of candy, school supplies, and other youth-oriented products, as well as banning built-in videogame functionality, the bill strengthens protections against appeal to minors and aligns with broader public health objectives.

The hazardous waste provisions address growing environmental and safety risks posed by embedded-battery devices, particularly those confiscated in school settings.

It should be noted that the DTSC evaluation component may also function as a policy bridge to future proposals, including potential product stewardship or Extended Producer Responsibility (EPR) frameworks. Engagement during the DTSC study process will be important to ensure any future recommendations appropriately account for differences between licensed operators and illicit sellers and avoid disproportionate compliance burdens on the regulated cannabis market.

Recommended Position: Watch/Support. While AB 2667 advances important youth marketing and environmental safety protections, it also signals a broader and continuing policy conversation regarding the environmental impacts of cannabis vape devices.

AB 762 (Irwin) was an early indication that integrated vape products are likely to face increasing legislative scrutiny. As vape product usage continues to grow, it is anticipated that policymakers will explore additional mandates aimed at addressing landfill impacts, hazardous waste management, product design, and extended producer responsibility.

Accordingly, while CaCOA recommends support, it is important to remain proactively engaged. The industry should be prepared for potential future requirements addressing battery disposal, product stewardship, or environmental mitigation measures. Ensuring a seat at the table during the DTSC evaluation process, and in any subsequent legislative proposals, will be critical to shaping workable solutions that protect public health and the environment without imposing disproportionate burdens on licensed operators.

Status: Introduced February 20, 2026. Pending committee referral.

Testing Integrity

12. [AB 1965 \(Sharp-Collins\) Cannabis: Testing: Quality Assurance](#). AB 1965 aims to strengthen cannabis testing integrity and Department oversight under MAUCRSA. The bill is a reintroduction of AB 1027 (2025), which was held in Senate Appropriations last year.

Specifically, this bill:

- Clarifies retesting authority by allowing a licensed testing laboratory to retest a sample if the lab notifies the Department in writing that the original test was compromised (e.g., equipment malfunction or staff error), if the Department requires a retest, or if the Department authorizes the request.
- Authorizes off-the-shelf testing by requiring retailers to allow the Department to obtain or access cannabis products held for retail sale for independent laboratory verification.
- Requires retailers to provide a Certificate of Analysis (COA) to customers upon request.

- Subjects testing laboratories to performance testing (e.g., proficiency or round-robin testing) to ensure consistency across laboratories.
- Requires laboratories to comply with Department evaluations of their testing practices.

Industry Impact: Operational impacts on retailers and manufacturers appear modest and manageable. The primary compliance implications fall on testing laboratories through enhanced oversight and performance testing requirements.

Position: Support. This bill aligns with efforts to protect the integrity of the licensed market.

Status: Introduced February 13, 2026. Referred to the Assembly Business and Professions Committee.

Tribal Government Licensure

- 13. UPDATE: [AB 2506](#) (Hart) Cannabis-licensure: tribal government licensure.** Creates a pathway for state cannabis licensees to engage in commercial cannabis activity with licensees regulated by federally recognized tribal governments. To qualify for certification by the DCC, the bill requires tribal regulatory frameworks to include comparable requirements related to public health and safety protections, participation in a seed-to-sale track-and-trace system, product testing standards, packaging and labeling requirements, product quality assurance and inspections, marketing and advertising restrictions, and procedures for identifying and destroying adulterated or misbranded cannabis products.

This bill is sponsored by the Twenty-Nine Palms Band of Mission Indians.

Policy Context: California's cannabis regulatory framework operates as a closed-loop system, meaning that licensed operators may generally transact only with other state licensees. As a result, cannabis businesses licensed by federally recognized tribal governments have largely been excluded from participating in the state-regulated supply chain.

Efforts to integrate tribal operators into California's legal cannabis marketplace have been debated for nearly a decade. Former Assemblymember, now Attorney General, Rob Bonta authored two bills on this issue: [AB 2545](#) (2016), which proposed allowing the Governor to enter into agreements with tribes regarding medical cannabis activity, and [AB 924](#) (2017), the CREATE Act, which would have established a framework

allowing tribes to participate in commercial cannabis markets through tribally regulated systems mirroring state standards.

Those efforts ultimately stalled due to unresolved tensions between state regulatory oversight and tribal sovereignty, particularly around requirements that tribes waive sovereign immunity and the lack of a clear mechanism under state law for licensing businesses operating on tribal lands.

Industry Considerations: The cannabis industry has historically advocated to maintain regulatory and economic parity across the supply chain. Key considerations have included ensuring that cannabis products produced on tribal lands are subject to comparable testing, track-and-trace, packaging, and consumer safety standards, and that differences in taxation or regulatory requirements do not create competitive imbalances for licensed operators already struggling under California's current regulatory environment.

AB 2506 appears to contemplate some of these concerns by allowing participation in the state supply chain only when tribal regulatory systems meet or exceed California's standards.

However, several policy and implementation questions warrant consideration, including, but not limited to:

- How the state will ensure ongoing regulatory alignment once a tribal regulatory system is certified by the DCC.
- Whether the state will have the authority to conduct inspections or enforcement actions if compliance concerns arise.
- How updates to state statutes or regulations will be incorporated into previously certified tribal regulatory frameworks.
- Whether cannabis products sold through tribally licensed retailers participating in the state supply chain will be subject to comparable taxation and reporting requirements.

Strategic Considerations: Because AB 2506 addresses long-standing structural barriers between state-regulated cannabis markets and tribal governments, the bill could become one of the more consequential cannabis policy proposals considered during the 2026 Legislative Session. If enacted, it would represent a significant shift in California's current closed-loop system and could reshape commercial relationships within the licensed cannabis supply chain.

More broadly, the regulatory equivalency framework contemplated in AB 2506 may provide an early policy model for how California evaluates regulatory parity with other states in the event interstate cannabis commerce is authorized.

Recommended Position: Concerns

Status: Amended March 2, 2026. Referred to the Assembly Business and Professions Committee.

Intoxicant & Smoke Shop Regulatory Reform

14. **SB 758 (Umberg) Public Health: nitrous oxide.** Prohibits retailers (with specified exemptions) from selling nitrous oxide at retail locations and creates criminal penalties for violations.

SB 758 is co-sponsored by the California Narcotics Officers' Association, the League of California Cities, and Orange County.

Status: Amended in the Senate in January and approved by the full Senate on January 27, 2026. Waiting referral to a policy committee in the Assembly.

15. **UPDATE: SB 936 (Blakespear) Nitrous oxide: sales.** Prohibits the recreational sale of nitrous oxide and establishes stronger enforcement mechanisms to address its widespread misuse. The bill builds upon existing misdemeanor provisions related to possession and harmful use by closing retail loopholes that have allowed open commercial sale in smoke shops and specialty stores.

Specifically, this bill:

- Prohibits the sale of nitrous oxide for recreational purposes;
- Establishes clearer enforcement authority at the retail level;
- Integrates enforcement with existing tobacco licensing and penalty structures; and
- Strengthens civil and administrative penalties for violations.

SB 936 is designed to directly address the retail availability of nitrous oxide products marketed for intoxication and to prevent diversion into youth markets.

SB 936 is co-sponsored by the National Product Stewardship Council, Orange County, the Rural County Representatives of California, and the San Diego District Attorney's Office.

Status: Introduced January 29, 2026. Double-referred to the Senate Public Safety and Senate Business, Professions & Economic Development committees. Public Safety hearing March 17.

16. [SB 1314](#) (Menjivar): Smoke shops: locations, hours of operation, and sale of nitrous oxide. SB 1314 enacts the California Smoke Shop Regulation and Safety Act and establishes new statewide operational standards for smoke shops, including proximity restrictions, hours of operation, licensing authority, and a prohibition on nitrous oxide sales.

Specifically, this bill:

- Prohibits, beginning January 1, 2028, a smoke shop from locating within a 600-foot radius of a school or daycare center in existence at the time the retail license is issued, unless the local jurisdiction specifies a different radius.
- Prohibits smoke shops from engaging in retail sales of tobacco products between 10:00 p.m. and 6:00 a.m.
- Prohibits smoke shops from possessing, storing, owning, or selling nitrous oxide, including products derived from or containing nitrous oxide, or paraphernalia related to its consumption.
- Authorizes the State Department of Public Health or the California Department of Tax and Fee Administration (CDTFA) to adopt regulations governing smoke shop operations, including the potential creation of a separate license category with distinct administrative processes and fee structures.
- Authorizes enforcement agencies to assess civil penalties in conformance with existing STAKE Act penalty structures, and authorizes CDTFA to assess additional penalties and suspend or revoke licenses for repeated violations.
- Expressly preserves local authority to adopt more restrictive standards.

The bill defines “smoke shop” as a retailer whose location devotes 20 percent or more of its net floor area to the sale of tobacco products, substances intended for smoking or inhaling, or smoking accessories. The definition expressly excludes licensed cannabis retailers and cigar lounges.

SB 1314 is sponsored by Catalyst.

Status: Introduced February 20, 2026. Pending committee referral.

17. NEW: [AB 634](#) (Gonzalez) Tianeptine. Prohibits a person or entity from manufacturing, distributing, or offering for sale a product that contains tianeptine. Authorizes civil penalties of up \$2,500 for a first violation and \$5,000 for each subsequent violation,

enforceable by the Attorney General, a city attorney, a county counsel, or a district attorney, or a county counsel.

What is Tianeptine? Tianeptine is a synthetic drug originally developed as an antidepressant and approved for medical use in several countries outside the United States. The substance is not approved by the U.S. Food and Drug Administration (FDA) for any medical use and has been the subject of increasing public health concern.

At high doses, tianeptine acts on opioid receptors and can produce opioid-like effects, including euphoria and physical dependence. In the United States, it is commonly sold in smoke shops, gas stations, and through online retailers under various brand names and is frequently marketed as a dietary supplement or mood enhancer.

Federal health authorities have issued warnings about the drug's addictive potential, withdrawal symptoms, and overdose risk, prompting a growing number of states to enact restrictions or outright bans.

Status: Passed the Senate. Pending committee referral in the Assembly.

18. [AB 2076](#) (Lowenthal) The Parent's Accountability and Child Protection Act: online marketplaces: nitrous oxide. AB 2076 adds nitrous oxide to the Parent's Accountability and Child Protection Act age-verification framework and:

- Requires sellers to take reasonable age-verification steps for nitrous oxide sales;
- Prohibits large online marketplaces from offering nitrous oxide for sale to customers located in California;
- Establishes civil penalties up to \$7,500 per violation for sellers and up to \$1.5 million per violation for online marketplaces.

Status: Introduced February 18, 2026. Pending committee referral.

Policy Considerations: Collectively, these four measures represent a coordinated legislative effort to close retail and online loopholes that have allowed nitrous oxide to be widely available for recreational inhalation. Taken together, the bills:

- Prohibit recreational sales (SB 758 and SB 936);
- Target smoke shop environments and operational standards (SB 1314); and
- Close online marketplace channels (AB 2076).

This comprehensive approach reflects increasing legislative concern regarding youth access, public health harms, and regulatory gaps involving intoxicating products sold outside California's licensed cannabis system.

Industry Impact: While none of these bills directly regulate licensed cannabis retailers, they target the same retail and online environments that have been associated with the sale of illicit cannabis, intoxicating hemp, nitrous oxide; and other unregulated psychoactive substances.

By restricting recreational nitrous oxide sales across brick-and-mortar and online platforms, these measures may reduce unlawful intoxicant availability; narrow the competitive advantage currently enjoyed by unregulated operators; and reinforce the distinction between licensed cannabis, which is age-gated, laboratory tested, and taxed, and unregulated intoxicants sold with minimal oversight.

Shared Policy Considerations (SB 758, SB 936, SB 1314, AB 634 and AB 2076):

These bills reflect a broader legislative trend toward regulating intoxicating substances sold outside traditional pharmaceutical or regulated cannabis frameworks. In recent years, policymakers have increasingly focused on products marketed through smoke shops, convenience stores, and online retailers that may produce psychoactive effects but operate outside established consumer safety standards.

From a public health perspective, these proposals are generally framed as consumer protection measures intended to address products that may pose safety risks due to limited oversight, inconsistent labeling, or lack of age restrictions.

Industry Impact: Although these measures do not directly regulate licensed cannabis operators, they address a long-standing concern within the regulated cannabis industry: the proliferation of intoxicating products sold outside California’s licensed cannabis marketplace without comparable regulatory safeguards.

Licensed cannabis businesses operate under extensive requirements related to testing, labeling, track-and-trace monitoring, advertising restrictions, and age verification. By contrast, many intoxicating products sold through smoke shops and other retail channels are not subject to equivalent regulatory standards.

As policymakers consider restrictions on substances such as nitrous oxide and tianeptine, these proposals may reinforce broader discussions about regulatory parity between licensed cannabis operators and retailers selling intoxicating products outside the state’s cannabis regulatory framework.

Position: Support

19. NEW: [AB 2489](#) (Lowenthal) Controlled substances: research. AB 2489, the California Veterans' Right to Try Act, expands the authority of the state's Research Advisory Panel (RAP) to facilitate clinical research involving Schedule I and Schedule II controlled substances.

Under existing law, the Research Advisory Panel reviews and approves research involving controlled substances such as cannabis and certain hallucinogenic drugs. Researchers who are authorized under federal law to conduct research involving controlled substances may obtain and use those substances in California with RAP approval.

AB 2489 authorizes the panel to submit an Investigational New Drug (IND) application to the United States Food and Drug Administration (FDA) to conduct a statewide clinical trial evaluating substances such as psilocybin, ibogaine, or other Schedule I or II compounds for the treatment of severe mental health conditions affecting veterans.

If the FDA does not timely approve the IND application in a timely fashion, the bill authorizes the panel to approve research projects within California through an expedited process, provided the proposed study:

- Receives independent peer review for scientific merit
- Is approved by an Institutional Review Board
- Involves veterans diagnosed with two or more severe or life-threatening mental health conditions
- Is limited to veterans who are ineligible to participate in FDA-approved trials

Finally, the bill authorizes research to be conducted at 20 to 30 sites statewide and would remain in effect until January 1, 2028.

Policy Context: AB 2489 is intended to address barriers that currently prevent many veterans from participating in federally approved clinical trials involving emerging psychedelic-assisted therapies. Legislative findings cite growing scientific interest in compounds such as psilocybin as potential treatments for conditions including:

- Post-traumatic stress disorder (PTSD)
- Treatment-resistant depression
- Substance use disorders
- Traumatic brain injury

The bill reflects increasing legislative interest in expanding research into psychedelic compounds as potential treatments for severe mental health conditions, particularly among veteran populations.

Industry Impact: AB 2489 does not directly regulate the commercial cannabis market. However, it reflects a broader trend of policymakers exploring therapeutic applications of controlled substances, including psychedelic compounds that currently fall within Schedule I of the Controlled Substances Act.

While the bill focuses on clinical research rather than commercial access, ongoing state and federal research into psychedelic-assisted therapies may influence future policy discussions concerning the medical use of currently prohibited substances.

Status: Introduced February 20, 2026. Pending referral.

Spot Bill

20. **UPDATE:** [AB 2617 \(Schiavo\): Cannabis \(Spot Bill\)](#). As introduced, AB 2617 makes only technical, nonsubstantive changes to the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) and appears to serve as a placeholder vehicle bill.

Comments: Following communication with the author's office, CaCOA has learned that the bill is expected to be amended and repurposed for a policy issue unrelated to cannabis. As a result, AB 2617 will no longer be tracked and will be removed from future legislative updates.

Status: Introduced February 20, 2026.