

Legislative Update-Kevin Johnson
5/5/2022

CDPH Proposed Budget for Industrial Hemp Products Compliance Program

***providing resources and funding to establish a robust IH safety program that will register, license and inspect IH processors through a three-phase approach implementation program.**

2022 - 11 positions 1.6 million

2022-23 - 18 positions 4 million

2023-24 - 25 positions 5.1 million

Department of Cannabis Control Proposed Budget-for implementation of AB45

***will purchase testing equipment, conduct tests and hire lab positions.**

2022-23 - 2 positions \$737,000

2023-24 - 2 positions \$454,000

Projected Outcomes

Workload Measure	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
Develop documents for regulation packages	1	1	1	1	1	1
Process IH manufacturing applications	400-500	500-600	650-750	850-900	900-1,000	900-1,000
IH licenses issued	350-450	480-540	600-675	760-815	815-869	875-929
Inspections of IH food and cosmetic manufacturers	100-200	400-600	600-750	850-900	900-1,000	900-1,000
Inspections of IH inhalable manufacturers	50-100	75-100	125-200	240-300	240-300	240-300
Education of stakeholders to bring processors into compliance, investigation of IH products complaints, fraud, enforcement, and coordination with other state and local law enforcement agencies	150-200	225-275	500-549	500-549	500-549	500-549
Number of samples to be analyzed for enforcement and compliance purposes	50-100	100-500	750-1,000	1,000-2,000	1,000-2,000	1,000-2,000

Link to full proposal:

https://esd.dof.ca.gov/Documents/bcp/2223/FY2223_ORG4265_BCP5452.pdf

Other Legislative updates:

California AB1656

- *Changes MAUCRSA (amends Section 26003 of the Business and Professions code) to allow cannabis licensee and dispensaries to sell industrial hemp products.**
- *Passed through Business and Profession's Committee 3/29/22.**
- *Third reading completed in the Assembly**
- *Assembly expects amendments following the July 1st report (see below).**
- *Read for the first time in the Senate 4/19/22 and now headed to the Senate Rules Committee.**

Program Proposal from DCC to the Governor incorporating industrial hemp products into the cannabis supply chain.

- *July 1st report must be received by the governor.**

AB45 Inhalable Hemp Products Tax

- *Currently no evidence of progress with the tax to allow sales of Inhalable Hemp Products in California.**
- *Could show up in May budget revisions as a trailer bill.**