

Senate Bill No. 540

CHAPTER 491

An act to add Sections 26070.3 and 26121 to the Business and Professions Code, relating to cannabis.

[Approved by Governor October 8, 2023. Filed with Secretary of State October 8, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

SB 540, Laird. Cannabis and cannabis products: health warnings.

The Control, Regulate and Tax Adult Use of Marijuana Act (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) consolidates the licensure and regulation of commercial medicinal and adult-use cannabis activities, including retail commercial cannabis activity, under the jurisdiction of the Department of Cannabis Control.

Existing law requires cannabis and cannabis product labels and inserts to include specified warnings about the safety of cannabis use.

This bill would, on or before July 1, 2025, require the department to reevaluate regulations for the above-described warnings to determine whether any additional warnings are necessary to reflect evolving science, and would require the department to adopt regulations for cannabis and cannabis product labels or inserts reflecting the evolving science regarding the risks that cannabis use may cause consumers. The bill would, on or before January 1, 2030, and every 5 years thereafter, require the department to reevaluate the adopted regulations to determine whether the requirements reflect the state of the evolving science on cannabis health effects and on effective communication of health warnings. The bill would authorize cannabis or cannabis products manufactured before January 1, 2030, and every proceeding year new labeling requirements are imposed to be sold for up to 12 months or for a shorter period of time as prescribed by the department.

The bill would, on or before January 1, 2025, require the department, in consultation with the State Department of Public Health, to create and post for public use a single-page flat or folded brochure that includes prescribed information, including, among other things, implications and risks associated with cannabis use, as specified. The bill would, on and after March 1, 2025, require a retailer or microbusiness selling, or person delivering, cannabis or cannabis products to a consumer to prominently display the brochure, including printed copies, at the point of sale of final delivery in person or online, and offer each new consumer a copy of the brochure at the time of

first purchase or delivery. The bill would, on or before January 1, 2030, and every 5 years thereafter, require the department to either recertify the information in the brochure or provide updated language, as specified.

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

SECTION 1. Section 26070.3 is added to the Business and Professions Code, to read:

26070.3. (a) (1) On or before January 1, 2025, the department, in consultation with the State Department of Public Health, shall create and post for public use a single-page flat or folded brochure that includes steps for safer use of cannabis, including, but not limited to, both of the following:

(A) Information about the pharmacological effects of cannabis use.

(B) Information on the implications and risks associated with, but not limited to, all of the following:

(i) High potency cannabis products.

(ii) The potential for THC to exacerbate certain mental health conditions.

(iii) Cannabis use by minors.

(iv) Cannabis use by pregnant and breastfeeding persons.

(2) The brochure shall be printed in a type size not smaller than 12 points. Printing and distribution shall be the responsibility of the licensee.

(3) On or before January 1, 2030, and every five years thereafter, the department shall either recertify the information in the brochure or provide updated language that accurately reflects the state of the evolving science on cannabis health effects and safer use of cannabis. The review of the brochure shall be done in conjunction with the review required in Section 26121.

(b) On and after March 1, 2025, a retailer or microbusiness selling, or person delivering, cannabis or cannabis products to a consumer shall prominently display the brochure, including printed copies, at the point of sale or final delivery in person and online at time of online purchases, and offer each new consumer a copy of the brochure created pursuant to subdivision (a) at the time of first purchase or delivery.

SEC. 2. Section 26121 is added to the Business and Professions Code, to read:

26121. (a) On or before July 1, 2025, the department shall reevaluate regulations adopted pursuant to Section 26120 to determine whether any additional warnings are necessary to reflect evolving science and shall adopt regulations for cannabis and cannabis product labels or inserts reflecting the evolving science regarding the risks that cannabis use may cause consumers.

(b) (1) On or before January 1, 2030, and every five years thereafter, the department shall reevaluate the regulations adopted pursuant to subdivision (a) to determine whether requirements imposed in those regulations reflect the state of the evolving science on cannabis health effects and on effective communication of health warnings.

(2) The Legislature recommends that the department, and the department may, use research funded pursuant to subdivision (b) of Section 34019 of the Revenue and Taxation Code that evaluates labeling and packaging, and, in conformance with the provisions of that subdivision, the department may commission new research to assess the efficacy of the warnings required by subdivision (a) and approaches to identify future best practices for cannabis health warning labels that are most effective in changing knowledge and intent to consume or consumption.

(c) Cannabis or cannabis products manufactured before July 1, 2025, may be sold before July 1, 2026, without meeting the labeling requirements imposed by the regulations adopted pursuant to subdivision (a).

(d) Cannabis or cannabis products manufactured before January 1, 2030, and every year thereafter when new labeling requirements are imposed by the regulations adopted pursuant to subdivision (a) may be sold for up to 12 months from the effective date of those regulations, or for a shorter period of time as prescribed by the department in those regulations, if they comply with the regulations in effect prior to the enactment of the new regulations.