

Hemp Regulation Status Report

Public Safety, Finance and Strategic Support Committee Meeting
April 17, 2025
Item (d)1.

Presenter:

Wendy Sollazzi, Division Manager, SJPD

City Council Direction

- *Bring the following items to a future Public Safety, Finance and Strategic Support Committee meeting:*
 - *Banning the sale of chemically synthesized hemp in the City of San José*
 - *Requiring registration of industrial hemp retailers.*

State Regulations

- Emergency Regulations effective September 2024
 - Requires industrial hemp food, beverage, and dietary products to have no detectable tetrahydrocannabinol (THC) or other intoxicating cannabinoids
 - Sets a minimum purchase age of 21
 - Readopted in March 2025
 - Effective through September 23, 2025
- Assembly Bill 45 (Hemp Bill)
 - Allows the inclusion of hemp and cannabinoids in food and beverages, etc. provided they contain less than 0.3% THC
 - Registration required
 - Labeling
 - Independent testing

Considerations

- Scope of the Problem
 - Reports of illegal products being sold
 - Observation during Tobacco Retail License inspections
- Current regulation, enforcement, and resources
- Constraints

Current Regulation and Enforcement

- State Regulation:
 - Department of Public Health
 - Department of Cannabis Control
 - Department of Alcoholic Beverage Control
 - Department of Tax and Fee Administration
- San José:
 - City ordinances for cannabis and tobacco
 - Administrative Citation Schedule of Fines for violations

Comparison to Other Cities and Counties

	Regulations, Legislative Platforms, Notifications
County of Sacramento	Prohibit sales of certain products containing intoxicating cannabinoids derived from hemp; Established administrative fines for violations
County of Marin	Included in legislative platform to regulate recreational cannabis, THC products including hemp
County of Santa Clara	No regulations on the sale of intoxicating hemp products
City of Campbell	Implemented a temporary moratorium on issuing tobacco retailer permits
City of San Diego	Notified businesses enforcement actions will be taken for non-compliance

Constraints – Current Regulatory Staff

- No City resources allocated to hemp regulation
- Division of Cannabis Regulation is entirely funded by cannabis program fees
- Code Enforcement's Tobacco Retail License inspectors funded by cost recovery license fees
- Unable to perform tasks unrelated to specific fee funded cost recovery programs, unless:
 - 1) General fund resources are made available, or
 - 2) New cost recovery fees are imposed

Next Steps



- Code Enforcement – continue annual proactive inspections of Tobacco Retail License and registered cannabis businesses; continue to respond to complaints within purview
- City Council Direction – if staff is directed to inspect hemp products containing THC, funding resources need to be made available, or new cost recovery fees need to be imposed

Staff Recommendation

Accept the status report on efforts to ban the sale of chemically synthesized hemp and require registration of industrial hemp retailers