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DPH-SAPC Legislative Report for the Behavioral Health Commission

- January 1, 2026 -

This report includes updates on Federal budget, legislation, and a list of bills for the 2025-26 State legislative session. The Department will continue identifying and analyzing legislation throughout the session to develop our priority list of bills that may impact our operations, and the public substance use disorder system.

Federal

- **Executive Order 14367 - Designating Fentanyl as a Weapon of Mass Destruction**

12/15/25 - Signed by the President

This executive order formally designates illicit fentanyl and its core precursor chemicals as Weapons of Mass Destruction, recognizing the scale of harm and national security risk they pose. It outlines coordinated actions across federal agencies to disrupt trafficking networks, strengthen prosecutions, and target the financial systems that enable distribution. The order also expands how the U.S. government prepares for and responds to chemical threats linked to fentanyl. Together, these measures reflect a shift in how synthetic opioids are treated within national defense and counterterrorism frameworks. There are limited impacts expected to DPH-SAPC, but this executive order will tighten oversight of fentanyl in the U.S. and locally. Additional analysis pending operationalizing regulatory language.

- **Executive Order 14370 - Increasing Medical Marijuana and Cannabidiol Research**

12/18/25 - Signed by the President

This executive order directs federal agencies to accelerate efforts to reclassify cannabis to Schedule III under the Controlled Substances Act, expand federal research into medical cannabis and cannabidiol, and provide a regulatory framework to improve access for patients. A formal rescheduling of cannabis would reshape the industry and transform public health through more comprehensive research on the risks and benefits of cannabis

use. Impacts to DPH-SAPC are limited, though expanded research may inform evidence-based practices for treatment options and benefit prevention and harm reduction strategies. Additional analysis pending operationalizing regulatory language.

- **H.R. 2483 – SUPPORT for Patients and Communities Reauthorization Act of 2025**

12/1/25 - Signed by the President.

HR 2483 reauthorizes and revises the Department of Health and Human Services (HHS) programs that address substance use disorders, overdoses and mental health. This bill's reauthorization of SUD prevention, treatment, recovery programs and grants would strengthen the SUD system through 2030, increasing appropriations across several areas from the authorization that ended in 2023. Additionally, this bill would provide greater specification to improve the operationalization of reauthorized programs for SUD-affected populations, expand prevention efforts, address overdose risk factors, and expand the behavioral health workforce.

- **H.R. 5371 – Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026**

11/12/25 - Signed by the President.

HR 5371 ended the government shutdown by providing FY2026 continuing appropriations for most federal agencies through January 30, 2026, and providing appropriations through the end of FY2026 for agriculture, military construction and veterans affairs, and legislative branch programs. It also extends various expiring public health programs and authorities.

Additionally, included in the bill is a provision that prohibits the unregulated sale of intoxicating hemp-based products containing more than 0.4 milligrams of tetrahydrocannabinol (THC) per container, closing a loophole made by the 2018 Farm Bill that deemed hemp-based products as a general agricultural product distinct from other more heavily regulated cannabinoid products, effectively unconditionally legalizing intoxicating hemp products.

- **H.R. 5462 – The “Michelle Alyssa Go Act”**

9/18/25 - Referred to the House Committee on Energy and Commerce.

HR 5642 would amend title XIX of the Social Security Act to revise the definition of institution for mental diseases under the Medicaid program to exclude from such definition institutions having 36 beds or less if such institutions meet certain standards.

- **H.R. 6104 – Dark Web Interdiction Act of 2025**

11/18/25 - Referred to the House Committee on the Judiciary, Committee on Energy and Commerce, and House Committee on Financial Services. Further referrals pending.

HR 6104 prohibits the delivery or distribution of controlled substances (i.e. opioids) by means of the dark web, establishes a 2-level sentencing increase for violations, and establishes the Joint Criminal Opioid and Darknet Enforcement Task Force.

State

The first year of the two-year legislative cycle ended on September 12th, and the Governor had until October 12th to take action on legislation. Many of the bills SAPC tracked have been chaptered into law, a select few that did not may return during the next legislative cycle as two-year bills. The Department will continue identifying and analyzing legislation that may impact our operations and the public substance use disorder system as the session comes to a close, while preparing for the next session that begins January 5, 2026.

Final Action Bills

- **AB 1037 The Substance Use Disorder (SUD) Care Modernization Act (Elhawary)** - AB 1037 seeks to change outdated requirements and policies within existing statutes to align with current evidence-based practices and increase access to SUD treatment.

Signed by the Governor and chaptered on 10/10/2025.

DPH Analysis: The SUD Care Modernization Act would help address historical stigmas, outdated policies, and significant statutory barriers to more successfully engage and treat people with SUDs and ultimately save lives.

DPH Position: Support

County Position: Support (LA County Sponsored)

CBHDA Position: Support

- **AB 8 Cannabis: Cannabinoids: Industrial Hemp (Aguiar-Curry)** - AB 8 integrates industrial hemp into the cannabis marketplace beginning January 1, 2028, and requires products containing concentrated cannabinoids that are derived from industrial hemp to comply with provisions of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA). It also prohibits the sale of synthetic cannabis products and inhalable cannabis products containing cannabinoids derived from hemp and requires out-of-state hemp manufacturers to register with the state. It revises and recasts enforcement provisions for cannabis, industrial hemp, and cannabis products to expand the authority for state and local enforcement agencies to inspect, seize, and destroy unlawful cannabis products including those with industrial hemp.

Signed by the Governor and chaptered on 10/2/2025.

DPH Analysis: The Federal 2018 Farm Bill (Agriculture Improvement Act of 2018) differentiated hemp from cannabis and categorized it as an agricultural product, creating a loophole for hemp products nationally to be produced without the regulatory

standards required of cannabis products and then augmented later with intoxicating compounds (synthetic or cannabis based) and sold without meeting health and safety, licensing, or age restrictions associated with cannabis. CDPH proposed emergency regulations which were put in place on September 23, 2024 to require that industrial hemp food, food additives, beverages, and dietary supplements intended for human consumption have no detectable THC per serving, cannot be sold to purchasers under age 21, and may have no more than 5 servings per package. The regulations also include additional cannabinoids in the definition of THC. These regulations were readopted in March 2025, extending the regulations until September 23, 2025. Regular rulemaking to readopt the regulations were published on June 13, 2025, allowing public comment through July 28, 2025. Both currently enacted emergency regulations and pending regulations functionally ban all sales of intoxicating hemp products. AB 8 would roll back this complete ban by allowing for some limited sale of intoxicating hemp products to adults 21 and older under same regulations and rules to which cannabis products are subjected. DPH-SAPC has been engaged in prevention work to address sales of cannabis, cannabinoid, and intoxicating hemp products to minors and in illegitimate businesses. While AB 8 is preferable to the completely unregulated landscape prior to September 2024, this bill would ultimately increase exposure and related adverse health effects related to cannabis and intoxicating hemp products compared to today's regulatory landscape.

DPH Position: Watch

County Position: No position taken

CBHDA Position: No position taken

- **AB 255 The Supportive-Recovery Residence Program (Haney)** - AB 255 would allow state programs to fund supportive-recovery residences (SRRs) that have been certified by a National Alliance for Recovery Residences (NARR) affiliated organization, comply with Housing First components, and meet other specifications. This bill would prohibit "automatic" eviction of a person on the basis of relapse, require at least 90% of program funds awarded to each jurisdiction is used for housing or housing-based services using a harm reduction model, specify that at least one harm-reduction housing placement option must be offered and the individual or family must be able to choose a supportive recovery residence or harm-reduction placement, and further specifies that the harm-reduction housing placement option and the supportive recovery residence do not have to be available for move-in at the same time.

Vetoed by the Governor on 10/1/25.

DPH Analysis: While DPH-SAPC does not currently offer permanent supportive housing (PSH), this legislation could provide funding streams that expand its Supportive Recovery-Oriented Residences program for much needed recovery-oriented permanent housing. This bill would also permit counties to require their own quality and

performance standards when contracting for recovery residence services, in addition to NARR standards and Housing First principles.

DPH Position: Watch

County Position: Watch

CBHDA Position: Support

- **AB 309 Hypodermic Needles and Syringes (Zbur)** - AB 309 would extend existing law authorizing syringe services programs (SSPs).

Signed by the Governor and chaptered on 10/13/2025.

DPH Analysis: AB 309 will extend existing law authorizing critical public health interventions that prevent the spread of HIV and viral hepatitis, preserve opportunities for health engagement, and promote proper disposal of used syringes. Thirty years of evidence has shown that SSPs are an effective public health intervention and do not increase crime or littering.

DPH Position: Support

County Position: Support

CBHDA Position: No position taken

- **AB 339 Local public employee organizations: notice requirements (Ortega)** - AB 339 modifies current laws under the Meyers-Milias-Brown Act, establishing that public agencies must provide a minimum of 45 days' written notice to recognized employee organizations before issuing requests for proposals or renewing contracts relevant to their classifications. In emergency situations, agencies must provide as much advance notice as practicable. No state reimbursement for mandated costs is provided, but agencies may seek other reimbursement methods.

Signed by the Governor and chaptered on 10/13/2025.

DPH Analysis: Considering all SUD services provided under SAPC are contracted, it would create an impractical workflow for SAPC to follow. This bill would prevent the County from remaining flexible in regard to short-term funding opportunities, prevent swift responses to emergency situations or priority issues identified in communities, and jeopardize County relationships with funders due to delays in spend down and slow progress on deliverables. Ultimately, this bill would present a significant burden that could delay or reduce access to critical services.

DPH Position: Oppose

County Position: Oppose

CBHDA Position: No position taken

- **SB 378 Online marketplaces: illicit cannabis: reporting and liability (Wiener)** - SB 378 would require online cannabis marketplaces to specify in their terms of service whether they allow Californians to view advertisements, the business information of unlicensed sellers of cannabis/cannabis products, and whether the marketplace verifies the licenses of sellers. If they do not verify licenses, a warning graphic must be shown to consumers. Additionally, online cannabis marketplaces must provide a reporting mechanism for unlicensed advertisements, ensuring that reports receive confirmation and updates. The bill would impose civil penalties for violations and allows for civil enforcement actions by specified parties. SB 378 would also establish an analogous mechanism for online hemp marketplaces regarding intoxicating hemp products. Provisions of this bill are effective July 1, 2026.

Signed by the Governor and chaptered on 10/6/2025.

DPH Analysis: Illicit cannabis and intoxicating hemp businesses have continued to operate in California in spite of legalization, sidestepping safety standards and regulations and putting consumers at risk, in violation of California regulations. The federal 2018 Farm Bill (Agriculture Improvement Act of 2018) reclassified hemp products as agricultural products, creating a loophole nationally that has led to the proliferation of hemp products augmented (often with synthetic cannabinoids) to be intoxicating, but without being subject to the age restrictions, health and safety, and advertising regulations that California places on legal cannabis products. California has had emergency regulations in place since September 2024 requiring hemp products to have no detectable THC per serving, thereby banning intoxicating hemp products. This emergency regulation was readopted on March 24, 2025, and remains in effect through September 23, 2025. Enforcement has remained a challenge, and the growth of online marketplaces along with the national intoxicating hemp loophole has further compounded these enforcement challenges. Additional data and regulation would assist in enforcement and consumer protection.

DPH Position: Watch

County Position: No position taken yet.

CBHDA Position: No position taken yet.

- **AB 416 Involuntary commitment (Krell)** - AB 416 amends the Lanterman-Petris-Short (LPS) Act to require counties to authorize emergency physicians to detain individuals for evaluation and treatment if they pose a danger to themselves or others due to mental health disorders or is gravely disabled as a result of a mental health disorder, a severe substance use disorder, or both. The bill also provides criminal and civil liability exemptions for emergency physicians who carry out these detentions, equating their authority with that of peace officers and mobile crisis team members.

Signed by the Governor and chaptered on 10/13/2025.

DPH Analysis: The current LPS language includes peace officers, professional persons in charge of a facility designated by the county for evaluation and treatment, members of the attending staff of a facility designated by the county for evaluation and treatment, designated members of a mobile crisis team, or professional person designated by the county. This provision of the bill is redundant since ED physicians can already be designated by counties for LPS authority. It would provide a blanket permission for all ED physicians, which considering the time and staffing constraints typical in an ED, as well as the variation in training/readiness to evaluate for LSP by ED physicians, could be inappropriate.

DPH Position: Watch

County Position: No position taken

CBHDA Position: Neutral

Two-Year Bills

- **AB 37 Workforce development: mental health service providers: homelessness (Elhawary)** - AB 37 requires the California Workforce Development Board to study how to expand the workforce of mental health service providers who provide services to homeless persons. Currently, the Board is responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system and the alignment of the education and workforce investment systems to the needs of the 21st century economy and workforce. This bill would assign a new project for the Board to oversee.

This bill is currently in Assembly Labor Committee and eligible to be taken up in January 2026.

DPH Analysis: It is essential that the substance use disorder (SUD) workforce is included in the expansion study in addition to the mental health workforce. Increasing the availability of mental health and SUD services through for people experiencing homelessness through an extensive workforce would be a benefit to the behavioral health system in LA County.

DPH Position: Watch

County Position: No position taken

CBHDA Position: Watch

- **AB 1205 Mental health services: assisted outpatient treatment (Muratsuchi)** - AB 1205 makes technical, non-substantive changes to existing statute regarding assisted outpatient treatment for court-ordered individuals meeting certain conditions.

This bill is currently on the Assembly Floor and may be taken up again in January 2026.

DPH Analysis: Although this bill is currently a spot bill, with only minor amendments proposed, it has potential for impacts to protective actions taken for individuals with mental illnesses and potential substance use disorders in the court system.

DPH Position: Watch

County Position: No position taken

CBHDA Position: No position taken

- **SB 35 Alcohol and drug programs (Umberg)** - SB 35 would establish a timeline for the Department of Health Care Services DHCS to initiate an investigation within 10 days of receiving an allegation and complete the investigation within 60 days of the initiation of the investigation for adult alcohol and drug (AOD) recovery or treatment facilities that are alleged to be operating without a current valid license.

This bill was held in committee under submission and may be taken up again in January 2026.

DPH Analysis: The provision of adding additional site visits is problematic as it will come in conflict with the Fair Employment and Housing Act (FEHA) (Article 2 Housing Discrimination commencing with GOV § 12955) and stigmatizes recovery residences as a type of housing. There have not been substantial findings of AOD licensees risking their licenses over lower level of care environments. The state is currently struggling with a shortage of providers for SUD treatment, and this additional oversight may deter instead of growing the number of providers. This type of oversight extrapolated from a violation by a separate entity does not exist for healthcare facilities or housing.

DPH Position: Watch

County Position: No position taken

CBHDA Position: Watch

- **SB 38 Second Chance Program (Umberg)** - SB 38 modifies the Second Chance Program by allowing proposals offering mental health or behavioral health services, including drug court programs. This change aims to support better treatment options for people with mental health and substance use issues within the criminal justice system.

This bill was held in committee under submission and may be taken up again in January 2026.

DPH Analysis: As currently written, the bill is formatted as a grant and is therefore permissive with limited impacts to County SUD treatment and prevention operations or the provider network. The changes to current law would direct the Board of State and Community Corrections, which administers the grant, to prioritize proposals that utilize a drug court or collaborative court model.

DPH Position: Watch

County Position: No position taken

CBHDA Position: Watch

- **SB 329 Alcohol and drug recovery or treatment facilities: investigations (Blakespear & Umberg)** - SB 329 mandates that DHCS assign and complete investigations into complaints regarding alcohol and drug recovery or treatment facilities within specified time frames. Complaints will be assigned to an analyst within 10 days, and investigations must be completed within 60 days.

This bill's hearing in the Assembly Appropriations Committee was postponed and may be taken up again in January 2026.

DPH Analysis: Complaints are often sent to DHCS before DHCS forwards complaints to DPH-SAPC. This bill would give DHCS greater responsibility in responding to complaints. At this stage, it is unclear whether DHCS has the capacity to handle these investigations fully or if the intention is to delegate work to counties.

DPH Position: Watch

County Position: No position taken yet.

CBHDA Position: Watch