



June 4, 2025

**Legislative Update: AB-1397 on Pause
What It Means for Hemp-Derived THC in California**

[AB-1397](#), introduced by California State Assemblymember Heath Flora, is currently on hold. The bill proposes a key amendment to the California Health and Safety Code that would allow licensed hemp manufacturers to produce low-dose hemp beverages containing up to 5 milligrams of THC per container. It also calls for a 10% excise tax based on the gross receipts of retail sales.

According to Assemblymember Flora's office, the bill has been paused to allow legislators to assess the progress and impact of other hemp-related bills currently under consideration. However, AB-1397 remains active and could be revived during the next legislative session.

The passage of AB-1397 would provide much-needed regulatory clarity and open up commercial pathways for California's hemp-derived THC industry, which continues to face uncertainty under Governor Newsom's sweeping emergency ban. As it stands, the emergency regulations prohibiting THC in hemp products are scheduled to [expire](#) on September 23, 2025.

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