
Commerce & Gaming Committee

HB 2033

Brief Description: Concerning cannabis health and beauty aids.

Sponsors: Representatives Ryu and Condotta.

Brief Summary of Bill

- Creates a permit under the Controlled Substances Act that authorizes the permit holder to possess and process marijuana for the purpose of manufacturing health and beauty aids, subject to specified requirements and restrictions.
- Establishes that the Liquor and Cannabis Board has full regulatory and rule-making authority with respect to the cannabis health and beauty aid industry.
- Authorizes permit holders to lawfully purchase and possess marijuana for the purpose of producing cannabis health and beauty aids.
- Authorizes licensed marijuana producers to sell marijuana and marijuana byproducts to permit holders.
- Creates explicit regulations governing the labeling of the products made by permit holders.

Hearing Date: 2/13/17

Staff: Thamas Osborn (786-7129).

Background:

Cannabis-Based Beauty Aids.

Cannabis health and beauty aids are exempted from all regulations in the Controlled Substances Act ("CSA") (chapter 69.50 RCW) pertaining to marijuana, marijuana concentrates, or marijuana-infused products. "Cannabis health and beauty aid" is defined to mean a product containing parts of the cannabis plant and which:

- is intended for use only as a topical application to enhance appearance;
- contains a tetrahydrocannabinol (THC) concentration of no more than 0.3 percent;

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- does not cross the blood-brain barrier; and
- is not intended for ingestion by humans or animals.

Legal Definition of Marijuana Under the Controlled Substances Act.

Under the CSA, marijuana is defined to include all parts of the cannabis plant with a THC content of greater than 0.3 percent. The definition further establishes that the term "marijuana" does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom).

Industrial Hemp and its Commercial Uses.

Although industrial hemp plants are a form of cannabis, they are generally excluded from the definition of marijuana because the commercial strains almost always have a THC content of 0.3 percent or less. Marijuana, by contrast, generally has much higher concentrations of THC, ranging anywhere from 5 to 25 percent. In those countries where it is legal to do so, industrial hemp is grown primarily as a source of fiber principally used for textiles, rope, paper, and building materials. Hemp seed is increasingly used for food, feed, and oil. Hemp seed oil is low in saturated fats and may be used in pharmaceuticals, cosmetics, inks, lubrication, household detergents, varnishes, resins, and paints.

Summary of Bill:

Cannabis Health and Beauty Aid Permit.

The act creates a permit under the CSA that authorizes the permit holder to possess and process marijuana for the purpose of manufacturing health and beauty aids. The permitting process is administered by the Liquor and Cannabis Board (LCB), which also has broad regulatory authority over the activities of, and products marketed by, permit holders. The application fee for the permit is \$250. The annual fee for issuance and renewal of a the permit is to be determined on a sliding scale based on the amount of cannabis health and beauty aid products to be annually produced by the permit holder.

Regulation of Cannabis Health and Beauty Aids.

The production and marketing of cannabis-based health and beauty products is subject to the following provisions and requirements:

- The products may only be offered for sale in retail outlets and in the general retail market.
- The permit holder may purchase marijuana and marijuana byproducts such as stems, roots, and leaves from a marijuana producer to process into cannabis health and beauty aids.
- Marijuana and marijuana byproducts purchased from a marijuana producer may not be sold, traded, or donated by the permit holder to any person or entity.
- The delivery, distribution, and sale of cannabis health and beauty aids are not subject to the provisions of the CSA applicable to marijuana, marijuana concentrates, or marijuana-infused products.

The labelling of cannabis health and beauty aid products is subject to explicit restrictions that effectively prohibit any product from having printed text or symbols on the label that state or imply that the product is medicine or offers any medical or therapeutic benefits. In addition,

labels for cannabis health and beauty aids must prominently display the following statement: "This product is not approved by the FDA to treat, cure, or prevent any disease."

Rule-Making Authority of the LCB.

The LCB is granted broad rule-making authority regarding the production and marketing of the products made by a permit holder, including rules pertaining to:

- security measures necessary to ensure marijuana is not diverted into the illicit market;
- total amounts of marijuana a permit holder may have on its premises;
- permit holder reporting requirements;
- a seed-to-sale traceability system tailored to the practices and characteristics of the cannabis health and beauty aid industry; and
- product testing requirements, including those pertaining to testing for THC levels.

Purchase and Possession of Marijuana by Cannabis Health and Beauty Aid Producers.

Licensed marijuana producers are authorized to sell marijuana and marijuana byproducts such as stems, roots, and leaves to cannabis health and beauty aid permit holders. The possession and processing of marijuana by a cannabis health and beauty aid permit holder is not a criminal or civil offense under Washington state law, provided the permit holder is acting in compliance with the requirements of the act.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.