

# FINAL BILL REPORT

## E2SHB 2334

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Synopsis as Enacted

**Brief Description:** Regulating the use of cannabinoid additives in marijuana products.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Sawyer and Kloba).

**House Committee on Commerce & Gaming**  
**House Committee on Appropriations**  
**Senate Committee on Ways & Means**

### **Background:**

#### Cannabinoids and Cannabidiol.

The term "cannabinoid" encompasses a wide variety of organic compounds derived from the cannabis plant. Cannabidiol (CBD) is a type of cannabinoid that is believed to have potential health benefits and is the active ingredient in most regulated medical marijuana products produced and sold by marijuana producer/processors and retailers licensed by the Liquor and Cannabis Board (LCB). In its purest form, CBD does not contain tetrahydrocannabinol (THC), which is the cannabis-derived psychoactive compound that causes euphoric effects. Properly purified CBD products may contain some THC, but the percentage of THC is generally small and does not reach levels typically found in regulated recreational marijuana products. Accordingly, cannabis products sold in Washington, including CBD, that have a THC content of 0.3 percent or less do not meet the statutory definition of marijuana and therefore are not considered to be controlled substances.

#### Cannabidiol Products Obtained Outside of the Initiative 502 Regulatory System.

Cannabidiol concentrates are often used as an additive by licensed marijuana processors in order to enhance the CBD content of medical marijuana products. Although many marijuana processors have the technical ability to produce CBD concentrates, it is common for marijuana processors to purchase such concentrates from sources operating outside of the marijuana market regulated by the LCB.

Most CBD concentrates used by state-licensed marijuana processors are derived from hemp and imported from foreign countries engaged in hemp production. These imported CBD concentrates generally enter the country in the form of hemp oil. As a form of cannabis, hemp plants produce CBD that can be extracted and concentrated for use by state licensed

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marijuana processors in order to increase the CBD content of their medical marijuana products. Whether derived from hemp or marijuana, imported CBD concentrates are not subject to state regulation and therefore are not subject to laboratory testing for toxins and other impurities. Consequently, medical marijuana products that contain imported CBD additives may contain toxic substances that are undetected.

Licenses.

Beginning July 1, 2018, the fee for licenses for marijuana producers, processors, and retailers is set in statute is \$1,300 for both the original application and each annual renewal.

**Summary:**

State licensed marijuana producers and processors are unrestricted in their use of CBD products for the purpose of enhancing the CBD content of regulated marijuana products, provided such CBD products are lawfully produced by, or purchased from, an in-state producer or processor licensed by the LCB.

Licensees may also use CBD products for CBD enhancement purposes even if imported or otherwise produced outside of the LCB regulatory system provided the CBD product has:

- a THC level of 0.3 percent or less; and
- been tested for contaminants and toxins by an accredited testing laboratory licensed by the LCB.

The term "CBD product" is defined as being any product containing or consisting of cannabidiol.

The LCB is authorized to enact the rules necessary to implement these requirements. However, in establishing such rules the LCB is prohibited from enacting rules pertaining to either the production or processing practices of the industrial hemp industry or any cannabidiol products that are sold or marketed outside of the regulatory framework established under the Uniform Controlled Substances Act.

Effective July 1, 2018, the annual licensing fee for marijuana producers, processors, and retailers is increased from \$1,300 to \$1,381.

**Votes on Final Passage:**

House	58	40
Senate	36	12

**Effective:** June 7, 2018  
July 1, 2018 (Section 3)